

Sustainability

Sustainability as a Key Enabler

Jardines has focussed on creating enduring value through our approach to business since our founding nearly two centuries ago. From the outset, we have applied a long-term perspective to growth, building resilience in our business and supporting the communities we serve. This wide historical lens informs our approach to sustainability and serves as a foundation which guides our decisions on how to shape our business for the future.

Our sustainability practices are underpinned by a focus on innovation and resilience, and enable Jardines to mitigate risk, enhance operational efficiencies, and maintain a strong competitive position in the markets where we operate. We have continued to pursue our vision for a sustainable future by fostering greater collaboration across our businesses and working to support them in addressing sustainability issues which are material across the Group. By integrating sustainability across the Group, we are committed to delivering long-term solutions which address the broad range of sustainability challenges we face, while producing long-term value for all our stakeholders.

Building Towards 2030

The diverse nature of the Group's businesses provides a great opportunity for collaboration in building resilience to potential future impacts. Though each of our businesses may have their own sustainability agendas, we strongly support the creation of a shared mindset towards long-term value creation.

The Group's sustainability strategy, Building Towards 2030, structures the Group's response to social and environmental megatrends affecting the outlook of our businesses and the communities in which we operate. The strategy has nine focus areas across three strategic pillars: Leading Climate Action, Driving Responsible Consumption and Shaping Social Inclusion. It is aligned with five of the 17 United Nations Sustainable Development Goals ('UNSDGs'), contributing to the global agenda to end poverty, protect the planet and ensure peace and prosperity for all people by 2030.

Our strategy provides an overarching sustainability vision at the Group-level, that recognises the needs and expectations of our diverse stakeholders. The Group has identified key priorities to focus our sustainability ambitions, streamline our efforts and allocate resources as efficiently as possible. We uphold the autonomy of our subsidiaries and affiliates, while simultaneously encouraging alignment and collaboration between our businesses, to harness the knowledge and expertise available across the Group and unlock opportunities for systemic change. Each of our businesses are encouraged to ensure consistency with the Group's sustainability strategy in driving their individual sustainability agendas, which are tailored to their respective industries and geographies.

Of the three strategic pillars, climate action has been our highest priority for the past couple of years. Our Group businesses are progressing well on their decarbonisation journey, with most having set science-based 1.5°C-aligned targets and developed plans for achieving them. Moving forward, we remain committed to our decarbonisation objectives as we work with all our businesses to align with





climate science and sector-based approaches to reduce climate impacts, enhance resilience and unlock opportunities for future growth in a transitioning world.

Sustainability Governance

Integrating sustainability within our existing governance structure enables the strategic oversight, accountability and reporting necessary to deliver long-term value creation. The Company's Board and Audit Committee oversee our sustainability governance structure, supported

by strong day-to-day oversight by senior management. This structure is mirrored at the Group businesses and is complemented by the Sustainability Leadership Council ("SLC") – which brings together the chief executives of our Group businesses and Jardine Matheson directors and senior executives – as well as by working groups focussed on each pillar of our sustainability strategy. These governance structures are supported by the Group Sustainability Team, which works closely with sustainability representatives from across our Group businesses.



The Company Board

Sustainability is a regular agenda item at Board and risk management and control committee ('RMCC') meetings, both for our individual businesses and at the Group level. Specific items including climate action are raised and discussed regularly at these meetings. Senior management of the Group, some of whom who also sit on the Company's Board, are also members of the boards of our Group businesses, where they emphasise the strategic significance of sustainability to Jardines. This approach ensures that our commitment to sustainability, including climate action, is consistent across the Group's businesses and informs major business decisions. For details of the Board, please refer to the Corporate Governance section of this Report.

Audit Committee

The Audit Committee supports the Board in overseeing and evaluating consolidated Group-wide principal risks and uncertainties, including climate risks. The Audit Committee also has oversight responsibility for reviewing independent assurance obtained by the Group in respect of the effectiveness of sustainability metrics which measure the Group's sustainability strategy, initiatives and goals, as disclosed in the Company's annual Sustainability Report. External and internal assurance is conducted on the Group's sustainability reporting and the effectiveness of its governance, respectively. Please refer to the Audit Committee Report and the Principal Risks and Uncertainties section of this Report for details.

Sustainability Leadership Council

The SLC is led by Jardine Matheson Executive Chairman, Ben Keswick. It currently comprises more than 20 members, and its core members include the Jardine Matheson Group Managing Director, Executive and non-Executive Directors, Chief Executives of all the Group's principal businesses and the Heads of relevant Group functions.

Meeting twice annually, the SLC serves as a collaboration platform for senior management across the Group to exchange insights and perspectives on sustainability strategy, planning and direction for the Group. Emerging sustainability trends, best practices and stakeholder expectations are discussed regularly within the SLC. Group-wide sustainability and climate-related risks and opportunities are also discussed at the SLC, with the aim of improving the Group's performance and ensuring consistent integration of sustainability considerations into corporate policies and business operations.

Group Businesses

The boards of our Group businesses are responsible for overseeing sustainability within their respective businesses. Each individual business is expected to develop and implement a sustainability strategy that is aligned to the Group strategy and to set sustainability metrics and targets to effectively address material issues. The leadership of each of the Group's listed and private businesses reports at least twice a year on the progress of their sustainability agenda to their own boards (in the case of listed businesses) or their respective RMCCs (in the case of private businesses).

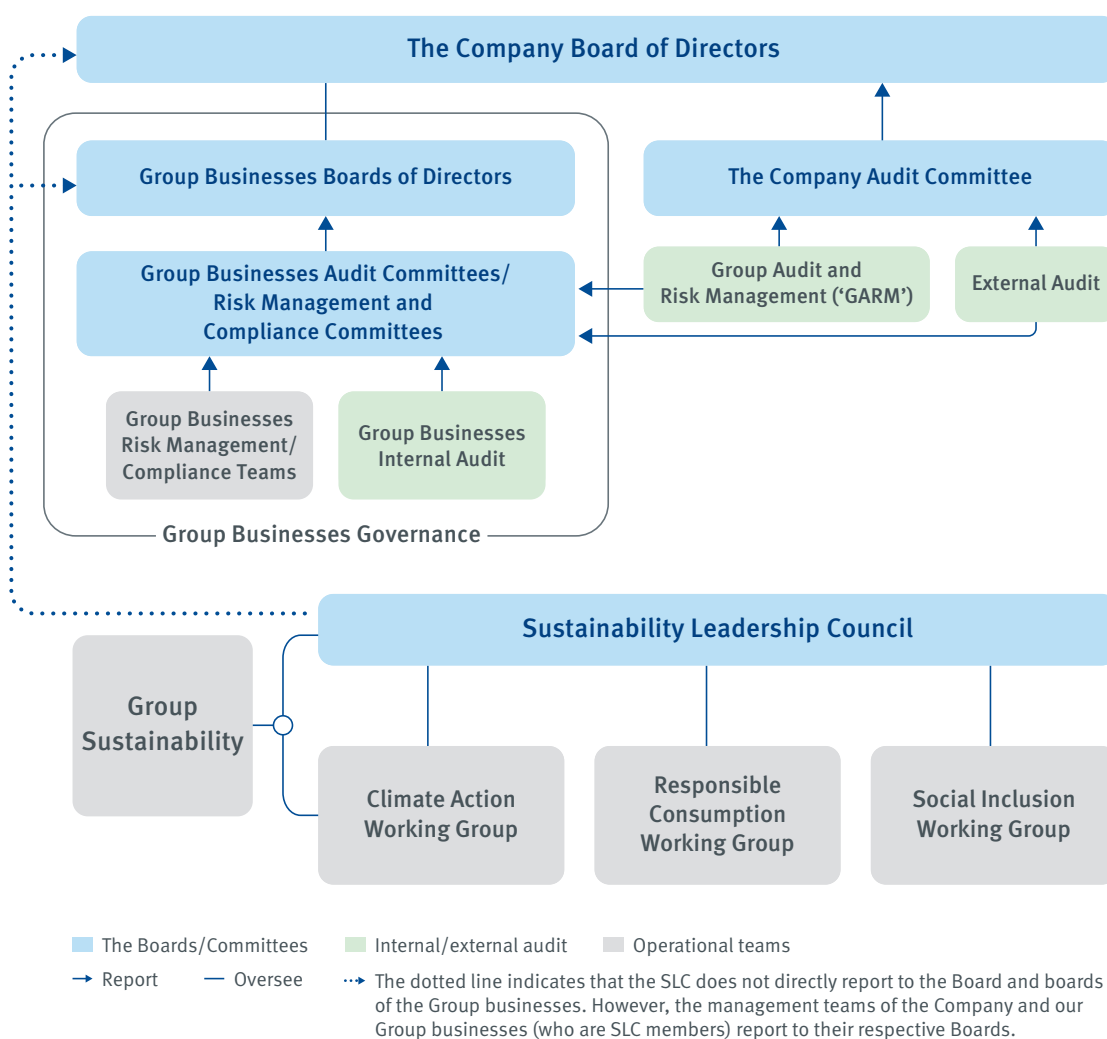
Sustainability Working Groups

Designated working groups support each of the pillars of our sustainability strategy. The working groups are comprised of, and chaired by colleagues from across our businesses who are responsible for driving the aspects of their sustainability agendas within their organisations. Working within the purview of each respective sustainability pillar, the working groups support the execution of the Group's sustainability strategy, as well as identifying, developing and recommending initiatives which will create synergies and strengthen cohesion and cooperation between the Group businesses, as well as sharing knowledge and experience across the Group.

Group Sustainability

The Group Sustainability Team supports the integration of sustainability considerations into the Group's broader business strategies and operations, and provides advice on sustainability-related issues. It also provides ongoing guidance, advice and support to the Group's businesses, encouraging consistency in their approach to sustainability. Collaborating closely with various stakeholders including senior leadership, operational teams, and external partners, the team also implements sustainability initiatives and sets appropriate and relevant ESG metrics and targets to track progress on material ESG issues. Sustainability trends are regularly monitored and are incorporated into the Group's approach to improving ratings, reporting and disclosures.

In addition, the team works with other Group functions including Group Finance, Group Audit & Risk Management ('GARM'), Group People & Culture, Group Secretariat, Group Legal, Group Tax and Group Communications to progress the Group's sustainability ambitions, as well as to obtain support on sustainability matters, including budgets and reporting, sustainability risks and opportunities, human capital, corporate governance, business ethics, tax reporting and sustainability communications.



Remark:

For details of the Risk Governance Structure, please refer to the Risk Management and Internal Control section.

Stakeholder Engagement and Materiality Assessment

We are committed to continual dialogue with our broad range of stakeholders, to communicate our sustainability ambitions and the progress we are making in achieving them, as well as to seek their valuable input. Through these engagements, we gather feedback to better understand their perspectives and expectations on key issues. Our stakeholders' inputs help us confirm and further refine our sustainability strategy and focus areas.

We regularly meet with our investors to share key sustainability updates and inform them on our current progress and future plans on sustainability. We also collect our investors' views and suggestions on the Group's sustainability strategy, performance and disclosure.

We actively and systematically engage with rating agencies, to ensure that their analysis of the Group's sustainability performance accurately reflects our sustainability approach, commitments, actions and progress. Through the coordinated efforts made across the Group's businesses, we have continued to achieve significant improvement in our ESG ratings in 2023.

Engaging our internal stakeholders is a key focus, and we use a range of channels, from internal surveys to events and campaigns, to encourage a dialogue among colleagues on sustainability. We use an internal sustainability communication channel to provide regular updates to our colleagues on sustainability accomplishments and events, share the latest sustainability news and trends, and provide access to sustainability-related learning materials.

The feedback gathered from our internal stakeholders and businesses forms an integral part of our materiality assessment process. Their perspectives are thoroughly considered and have helped us to confirm and further refine the Group's sustainability priorities.

We keep abreast of the latest global reporting standards and environmental and social megatrends, to identify new and emerging sustainability issues relevant and material to the Group. We gain valuable insights in our interactions as a member of the World Business Council for Sustainable Development ('WBCSD'), and also reference the sustainability reports of our Group businesses and our peers, along with expert insights and the results of our stakeholder engagement activities, to continuously review and enhance our sustainability strategy and focus areas against the rapidly evolving sustainability landscape.

Climate Action

Climate change will increasingly impact our business, and we are therefore actively identifying the physical and transition risks confronting the Group, including opportunities for mitigation. At the same time, we view supporting and contributing to the transition to a low-carbon and, ultimately, a net-zero world as not only a business imperative but also a source of new opportunities for impact and growth. As a primarily Asian-based owner and operator, we have a deep understanding of the challenges and the operating environment in the region. Our network of partners, the skills of our colleagues and the credibility we have in the region, give us a unique platform to accelerate the transition, by creating and leveraging opportunities to leapfrog to the sustainable economies of the future.

While this Sustainability section provides the Group's perspective, we acknowledge that Jardines' overall climate change performance is the result of a collaborative effort

with each of our businesses. As our Group businesses continue to build their climate resilience, the Group will provide support, guidance, and oversight to ensure that Jardines as a whole is ready for the future.

TCFD Report

This section provides details on our climate journey based on Taskforce for Climate-related Financial Disclosures ('TCFD') recommendations. Please refer to the Consistency with TCFD Requirements section on page 56 for a detailed view on the extent of alignment with the recommendations.

Governance

The Jardine Matheson Board is ultimately responsible for the overall strategic aims and objectives of the Company. Sustainability updates, including climate-related strategy, decarbonisation targets, initiatives and progress, challenges and opportunities are reported to the Board at least twice a year. One update occurs as part of the year-end process, and reflects the outcomes of the annual budget setting process, as part of which there is discussion of capital allocation for organic and inorganic growth, capital and operational expenditures, and the budget for sustainability initiatives for the coming three years.

The Board is also responsible for the oversight of climate risk management through the Audit Committee. Environmental and climate risk is identified as one of the principal risks faced by the Group, as it has materialised and impacted our business operations and supply chain. The principal risks faced by the business, as well as latest developments and the progress of mitigation measures, are reported to the Audit Committee bi-annually and disclosed in the Audit Committee Report in this Report.

Climate action is one of the critical topics reviewed and assessed by the SLC, which receives updates on global and regional climate and sustainability trends, policies, initiatives and activities undertaken by Group businesses and the Group twice a year. Progress on climate risk assessments and identified climate risks and opportunities are also provided to the SLC, to inform their discussion of sustainability strategy and priorities. The Company and individual business units' senior representatives will provide corresponding updates on sustainability strategy to their respective Boards. Sustainability-related policies are also reviewed by the SLC. These include the Group's Climate Change Policy, which was published in 2022. All sustainability-related policies are periodically reviewed by executive management and updated as required.



The Group Sustainability Team, led by the Group Head of Corporate Affairs and Sustainability, supports the Board, SLC and Climate Action Working Group in developing the overall sustainability strategy and related initiatives. A monthly meeting is held by the Group Sustainability Team with the Executive Chairman, to report progress on our sustainability agenda. The Climate Action Working Group meets on a quarterly basis, and updates on its activities are provided to the SLC twice a year.

For more information on the roles and responsibilities of those involved in our sustainability governance framework, and management oversight of the sustainability agenda (including climate risks and opportunities) across the Group, please refer to the Sustainability Governance section on page 45.

Strategy

Our Group commitment to climate action is set out in the Group Climate Change Policy, published in June 2022. The policy outlines the principles that steer the Group and our businesses to build resilience to climate change impacts and the transition to a low-carbon economy. To help drive the shift to more renewable sources of energy, Jardines has also published a clear commitment to Supporting a Just Energy Transition, affirming our goals of scaling up investments in renewable energy and adjacent innovations, diversifying into non-coal mineral mining and not investing in new coal mines or coal-fired power plants. As an Asian-based conglomerate, we want to be a key partner for the region in contributing to an orderly and equitable transition.

Over the past few years, we have been engaged in an ongoing exercise to identify and analyse material climate risks and opportunities across the Group. Climate scenarios are adopted, to evaluate the resilience of our businesses to the impacts of climate change on our strategy and financial planning. At Jardines, we use three sets of time horizons to analyse climate-related risks and opportunities: short-term (within three years), medium-term (four to ten years) and long-term (beyond ten years).

In 2021, we completed a preliminary study of physical risks likely to have a material impact on the Group, assessing potential asset damage and business interruption. We analysed the exposure and impact of both acute¹ and

chronic² hazards on more than 800 significant assets across our Group businesses in 22 countries and regions. The study was conducted utilising three Representative Concentration Pathways ('RCPs') developed by the Intergovernmental Panel on Climate Change ('IPCC')³.

In 2022, the Group initiated an assessment of transition risks which might impact our businesses, with the assistance of Group Sustainability and GARM. The exercise aimed to develop a consistent set of scenarios and assumptions for risk assessment across the Group, setting the foundation for a robust methodology which would result in comparable outcomes across our businesses. Two scenarios were developed based on internationally recognised data sets⁴ with the following characteristics:

Low-emissions scenario	High-emissions scenario
<ul style="list-style-type: none"> Global warming is limited to well below 2°C Rapid coordinated global response to climate change Implementation of strict climate policies Active decarbonisation of businesses High consumer awareness of climate change 	<ul style="list-style-type: none"> Global warming is on track to reach at least 3.3°C No significant acceleration and climate action from currently announced policies Slow investment in climate transition Lack of consumer awareness of climate change

The scenarios will be periodically refreshed to align with climate science updates and significant changes in our operating environments as a result of shifts in policy, regulations and other signals.

The assessment produced distinct transition risk heat maps for the High-emissions and Low-emissions scenarios, identifying the critical impact of transition risk drivers across the diverse sectors of our Group businesses in their most material geographic regions, based on revenue and/or strategic value. A number of mitigation planning workshops have been conducted across the businesses, to equip them with the right knowledge and resources for climate resilience.

¹ Acute hazards include landslide, rainfall flood, river flood, storm surge, and typhoon.

² Chronic hazards include extreme heat, snow melt, drought, and sea level rise.

³ RCP 2.6 represents a low-emission scenario, RCP 4.5 represents a medium-emission scenario and RCP 8.5 represents a high-emission scenario.

⁴ Scenarios are based on the IPCC Representative Concentration Pathways, the Network for Greening the Financial System ('NGFS') and the International Energy Agency ('IEA'), supplemented by additional research to reflect the unique regional context.

A summary of the identified physical and transition risks that may have a material impact on our business, and our mitigation measures in response, are included in the table below:

Physical risks	Implications to the Group	Potential impacts to operations	Our response
Typhoon Severity, as measured by wind speed, is increasing in the Chinese mainland, Hong Kong, Vietnam, and the Philippines.	More frequent and destructive typhoons impact Hongkong Land, DFI Retail, some Mandarin Oriental hotels and Jardine Pacific. Expected onset: short to medium term	<ul style="list-style-type: none"> Increased damage to equipment, facilities and properties Localised flooding and limited access and egress to properties, resulting in potential risks to the safety of patrons and limitations to commercial activity A greater occurrence of building strain (including structural damage) or loss of building material fixtures and claddings, resulting in damage, and increased maintenance costs and insurance premiums Decrease in demand due to operational disruptions, tenants/customers relocation and loss of tourist attractions and tourism appeal Increased trade disruptions and damage to port infrastructure, resulting in supply chain disruptions 	<ul style="list-style-type: none"> Business continuity and emergency evacuation planning, and regular training, drills and engagement with employees and tenants Identify emerging technologies, including smart, digital and biotechnologies or new materials to enhance building quality and resilience Review of overflow and drainage systems for locations susceptible to flooding Review exposure to physical hazards, including an analysis of geographical flood plains, before committing to new locations Engage with government bodies on flood defences Ensure adequate insurance coverage for physical asset damage Dual sourcing and increasing supplier resilience
Rainfall flooding Severity, as measured by flood depth, is expected to increase across Asia.	More frequent and extreme rainfall flooding impact our low-lying and flood vulnerable major assets in Astra, Hongkong Land, DFI Retail, JC&C and some Mandarin Oriental hotels. Expected onset: short to medium term	<ul style="list-style-type: none"> Adverse effect on the health and safety of employees working on sites, e.g. heat stroke and heat exhaustion Prolonged periods of hot days exacerbating safety risk Reduction in thermal comfort for tenants, resulting in increased cooling demand and associated costs across the properties Damage to equipment, facilities, properties, inventory and infrastructure, resulting in business and supply chain interruptions 	<ul style="list-style-type: none"> Physical checks for workers under prolonged sun exposure and extended/additional breaks during times of high heat and periods of persistently extreme temperatures Active promotion of modern construction methods such as offsite fabrication Adopting and excelling in green building sustainability certification programmes Operational energy saving measures and regular air-conditioning equipment maintenance and/or replacement Increase energy efficiency through upgrading and retrofitting existing buildings and system optimisation Dual sourcing and increasing supplier resilience
Extreme heat Measured by the combined impact of temperature and humidity, it is forecasted to increase in the period to 2030 across Asia. Higher latitudes are expected to be most adversely affected.	Increased ambient temperatures and more frequent heatwaves mostly impact Astra, Hongkong Land, DFI Retail, JC&C, and Jardine Pacific businesses such as Gammon. Expected onset: medium to long term		

Physical risks	Implications to the Group	Potential impacts to operations	Our response
Sea level rise Severity, as measured by the rise of sea level, is expected to increase globally.	Increased sea level rise/ coastal inundation mostly impacts Hongkong Land's Central portfolio buildings in Hong Kong, which are valuable assets to the Group. Expected onset: medium to long term	<ul style="list-style-type: none"> • Permanent inundation of access and egress points of our coastal properties, resulting in significant structural damage • Inundation of assets, limiting business continuity and future business opportunities • Increased maintenance costs and insurance premiums 	<ul style="list-style-type: none"> • Implement operational procedures for emergency extreme weather preparedness including flooding and typhoons • Engage the Hong Kong government for adequate planning and preparation of extreme weather events, including knowledge sharing of risk assessment data and management plans • Engage other property developers to exchange insights and potentially collaborate on solutions to effectively manage climate risks
Transition risks	Implications to the Group	Potential impacts to operations	Our response
Carbon price Direct (e.g. carbon tax) or indirect costs associated with emissions reduction regulatory or fiscal policies.	All our businesses will be affected, however these risks would be especially impactful for those operating in high energy consuming and/or high carbon emitting sectors, namely Astra, Hongkong Land, DFI Retail and Gammon. Expected onset: medium to long term	<ul style="list-style-type: none"> • Increased cost of products, services and raw materials such as steel and cement • Higher energy efficiency requirements, resulting in increased capital expenditures and cost of operations • Increased legal and regulatory stringency, resulting in higher risk of litigation, requiring additional efforts for compliance 	<ul style="list-style-type: none"> • Develop net-zero strategy to reduce greenhouse emissions. A few of our business units' (Hongkong Land, Gammon, DFI Retail and Hactl) near-term science-based targets have been validated by SBTi • Develop a strategy for a lower-carbon supply chain, including local sourcing efforts, country of origin assessments, and sustainable commodities initiatives in DFI Retail • Electrify equipment, e.g. Gammon acquiring electric crawler cranes • Reduce embodied carbon in buildings/stores by sourcing alternative low-carbon materials such as low carbon certified rebar, and explore methods to reduce the carbon footprint of concrete mixes (e.g. CarbonCure) in our construction business • Invest in energy efficiency, R&D and innovation, e.g. JEDI from JEC • Monitor upcoming carbon and climate-related regulatory requirements • Build climate resilience capability across the Group
Energy price The rising prices of primary and secondary energy, i.e., fossil fuels and electricity.			

Transition risks	Implications to the Group	Potential impacts to operations	Our response
Polices and regulations Examples include green building policies and electric vehicle policies.	Green building policies are applicable to most of our businesses, and electric vehicle policies are applicable to our motor businesses, i.e., Zung Fu Hong Kong, JC&C and Astra. Expected onset: medium to long term	<ul style="list-style-type: none"> Increased cost of products, services and raw materials such as steel and cement High energy efficiency requirements, resulting in increased capital expenditures and cost of operations Increased legal and regulatory stringency, resulting in higher risk of litigation, requiring additional efforts for compliance 	<ul style="list-style-type: none"> Continue to implement energy efficiency projects to achieve science-based targets Introduce new low-carbon products and services, e.g. electric vehicles in Zung Fu Hong Kong and JC&C Invest in energy efficiency, R&D and innovation, e.g. JEDI from JEC Monitor upcoming climate-related regulatory requirements Build climate resilience capability across the Group Engage with government bodies and industry associations to contribute to policy consultations
Climate-related opportunities	Implications to the Group	Potential impacts to operations	Our response
Shifting consumer preferences towards low-carbon buildings, materials, products and services	This is an emerging opportunity to capture business growth for Hongkong Land and Gammon in the construction and property sector, Astra, JC&C and Zung Fu Hong Kong in the automotive sector, and JEC in the engineering services sector. Expected onset: medium to long term	<ul style="list-style-type: none"> Higher demand for minerals for low-carbon technologies such as copper, nickel and bauxite and reduced demand of coal Increased demand and revenue from low-carbon infrastructure and buildings, sale of electric vehicles, etc 	<ul style="list-style-type: none"> Publish a Just Energy Transition statement to commit to no new coal mine acquisitions and no new investments into coal-fired power plants Acquire new brands of electric vehicles in Zung Fu Hong Kong and JC&C; and support the partners in the transition of electric vehicles, e.g. Astra's investment in nickel mining Active engagement with tenants to gauge expectations on green building features and continue to obtain green building certifications in our properties portfolio Continue to deliver certified green building projects in our construction business Develop lower carbon high-performance concrete mixes with the Hong Kong Construction Industry Council's Green Product Certifications Invest in energy efficiency, R&D and innovation, e.g. JEDI from JEC

Climate-related opportunities	Implications to the Group	Potential impacts to operations	Our response
Renewable energy and energy efficiency	This is a present opportunity to all businesses for the foreseeable future.	<ul style="list-style-type: none"> • Reduced operating costs through energy efficiency initiatives, reduced waste to landfill and increased material reusability • Increased market value of properties that are highly rated as energy efficient and/or climate resilient 	<ul style="list-style-type: none"> • Actively expand our investments in renewable energy sector: <ul style="list-style-type: none"> – REE as Vietnam is one of the region's fast-growing markets for renewables and REE has been a leading developer of sustainable infrastructure since 2010 – At Astra, along with investing in hydro, wind and solar projects, we are also exploring biomass waste-to-energy • Invest in alternative energy e.g. solar panels connected to a Feed-in Tariff • Reuse structural steel to reduce new purchases, and use offsite modular integrated construction fabrication in a potentially more energy efficient environment • Join Power Up Coalition to accelerate early electrification in Hong Kong's construction business • Behavioural change programmes to educate the colleagues on energy savings measures

Our success as a business is based on our ability to identify emerging risks and opportunities and make the right capital investment decisions. The risk management process described in the Risk Management section of this Report enables the integration of these risks and opportunities, including climate-related ones, into our long-term strategy. This is the first step in putting climate risk on the agenda in all aspects of how we operate our businesses, including 3-5 year strategic and financial planning, investment and divestment decisions, managing our supply chains, developing products and services, and daily business operations across all Group businesses.

With guidance from Group Finance and the Group Sustainability Team, each of our Group businesses allots a budget to fund sustainability and climate action-related activities. The budgets are approved by the Chief Finance Officers of our businesses and the Group Finance Director. One of the Group's focus areas in 2023 was the development of a framework for a systematic incorporation of sustainability considerations, including climate risks, into capital allocation decisions. We will continue this work in 2024 and share more details in due course.

We are progressively building on our learning every year, to further enhance our methodology and future-proof our business. We have been proactive in responding to climate risks, but there is still much to learn and do.

Risk Management

We have incorporated the best practices of enterprise risk management into the process of climate risk identification, assessment and management. The sustainability teams in each of our Group businesses are responsible for climate risk management and provide a business-specific climate risk perspective to their risk management team in the business. The Group's approach to overall risk management combines a bottom-up process with a top-down strategic view. As with other principal risks and uncertainties, material climate risks and mitigation measures are reported to GARM and consolidated into the Group risk register to formulate a risk heat map, which guides risk prioritisation. The risk heat map is reported to the Audit Committee twice a year.

Both physical and transition risk reports from the 2021 and 2022 climate risk assessments have been provided to the Group businesses to further explore the implications for, and develop mitigation measures to minimise the impact including property damage and business interruption. Guidance and support on climate risk management and mitigation measures planning are provided by GARM and Group Sustainability, when needed. Climate risks have already been reported by some businesses who are advanced in their sustainability journey and featured in the Group's Principal Risk and Uncertainties.

Building on the Group-wide climate risk assessments carried out in 2021 and 2022, we have been developing a Group approach to the integration of climate risk into the existing risk management process and business risk register, which aligns with best practices defined by WBSCD, COSO, TCFD, and ISO 3001. Materialised climate-related risk events/drivers will be included in the existing business risk register, with updated Risk Taxonomy to keep climate-related risk causes in view by the respective risk owners. As climate risks may materialise over a longer time horizon compared to typical enterprise risk management horizons, a sub-register solely comprised of climate risks and opportunities has also been created. The climate risk sub-register formalises current efforts and monitoring currently carried out across the businesses. It is a full list of climate risks and opportunities over the short, medium and long-term, which facilitates the discussion and knowledge transfer on climate matters between teams. Sustainability and risk management teams will monitor the risk signals (e.g. carbon price policies) and evaluate the impact of each climate risk under different climate scenarios. Once the risks materialise and are significant, they will be included in the existing business risk register to ensure the accountability of the risk owners. For example, supply chain disruption is an existing business risk managed by supply chain directors at business unit level, but climate risks could intensify the uncertainties of logistics. Mitigating the risk of supply chain disruptions, including the impact from climate risks, is the supply chain director's responsibility, assisted by the sustainability and risk management teams.

The Group has been piloting this climate risk integration approach with two business units, and the results were presented to their internal risk management committees. In 2024, GARM and Group Sustainability will organise training for other business units and formally roll out the integration approach across the Group. GARM and Group

Sustainability will review the submitted and integrated climate risks and provide feedback, if any, to the Group businesses to improve the process and outcome. The impact assessment for climate risks is currently based on external research and management judgements. Climate change modelling and more sophisticated financial impact assessments will be conducted, based on a common set of scenarios and assumptions, at a later stage when more data points are transparent and available in the market.

As part of our ongoing climate risk management process, one important objective has been the development of a culture of climate action across our businesses. Climate risk is an issue which is now frequently included in internal risk management training and conferences. It is also included in risk newsletters published by GARM to raise the awareness of climate change and climate action across the Group, particularly targeting finance and risk management colleagues. The progress we have made in building this culture was evidenced at the 2023 Risk Management Forum, where climate risk was a key presentation topic and at the 2023 Finance Conference, where finance colleagues participated in an interactive simulation of the financial impacts of carbon prices. Most of our businesses are actively attuning their business capabilities to better evaluate and respond to climate risk. The Group will continue to guide the discussion, to further improve our businesses' approach to assessing the significance and impact of climate risks in relation to other risks in our risk registers.

Please refer to the Risk Management and Internal Control section of this Report for details of the Group's enterprise risk management framework. The Monitoring of Risk Management and Internal Control Systems section provides details on how GARM monitors the approach taken by the businesses to managing risk.

Metrics and Targets

Building on the climate risk assessment work carried out in previous years, we are now in the process of establishing metrics and indicators to help the Group manage relevant climate risks and opportunities. As we drive forward the climate action agenda in 2023 and beyond, we will consider forward-looking metrics to help us build resilience to climate change.

In 2021, we developed GHG emissions guidance aligned with the GHG Protocol for measuring Scope 1 and 2 emissions, and we aggregated data to provide a Group-

wide picture of our GHG emissions disclosed, by business unit, in our annual Sustainability Reports. At the time of publication of this Report, the Group's 2023 performance is still undergoing external assurance, and further details will therefore be provided in the forthcoming Sustainability Report 2023. The Group's 2022 performance is extracted in the table below:

Metric	Unit of measure	Group total
Scope 1 emissions	Thousand tCO ₂ e	4,839.3
Scope 2 emissions (location-based)	Thousand tCO ₂ e	1,460.4
Scope 2 emissions (market-based)	Thousand tCO ₂ e	1,395.1
Total GHG emissions (Scope 1 and market-based Scope 2)	Thousand tCO ₂ e	6,234.4*
Total energy consumption	Thousand GJ	34,118
Energy consumption from renewable sources	%	39%

* The data was subject to independent limited assurance by PricewaterhouseCoopers as part of our 2022 Sustainability Report which is available on our website.

2021 was the first year for which we collected GHG emissions data across the Group, starting with direct emissions (Scope 1 and 2). The Group is aware of the importance of our indirect emissions (Scope 3), which we will start measuring at the Group level in 2024, with plans to disclose in the near future. A few of our business units, such as Hongkong Land and DFI Retail, have already publicly disclosed their scope 3 data.

Decarbonisation has been a key focus area of the Group's sustainability strategy. In 2021, the Group developed a framework to guide the decarbonisation efforts across the Group towards our ultimate ambition to transition towards net-zero by 2050, in line with climate science. Due to the wide geographic spread of our activities, there is significant variation in the regulatory and policy environments affecting our businesses, which have implications for the feasibility, cadence and pace of potential decarbonisation initiatives. To account for

Jardines' size and complexity, we have segmented our businesses under two pathways, after close consultation with our internal stakeholders, to prepare an outline for progress towards a credible medium-term target and ultimately a net-zero goal.

The first science-based targets path expects businesses to align with credible, scientific approaches to decarbonisation, including the international Science Based Targets initiative ("SBTi") and sector-specific methodologies consistent with a 1.5°C trajectory. Hongkong Land was the first Group business to set a 1.5°C near-term target⁵ which was validated by SBTi in 2022. DFI Retail, Gammon and Hactl followed suit in 2023. Other businesses continue on the first path toward setting credible science-based targets. The second TCFD path expects the Group's businesses in hard-to-abate sectors, which have significant business continuity risk, to develop a transition plan to continue their business in a low-carbon economy.

The success of the Group in reducing carbon emissions is dependent on the decarbonisation progress by each individual business. Every business is responsible and held accountable for developing science-based decarbonisation plans and delivering on the agreed targets. A significant milestone for the Group in 2023 was the development of a scope 1 and 2 decarbonisation pathway by all businesses, which includes the details and timeline of different decarbonisation levers to achieve their GHG reduction targets. These pathways will be reviewed every year to track decarbonisation progress and adjusted based on actual performance to determine upcoming actions and priorities.

The Group's transition plans to achieve its ultimate ambition of net-zero by 2050, relies on all business units' efforts and collaboration. In the short term, we focus on decarbonising our scope 1 and 2 emissions following the established pathways. Different initiatives such as energy efficiency measures and staff engagement to drive behavioural change are already in place. In the medium term, we will continue to reduce our scope 1 and 2 emissions through renewable energy procurement and start to focus on decarbonising our scope 3 emissions through supplier engagement. In the long term, we will aim to leverage emerging technologies and innovations to address the remaining gaps.

⁵ SBTi defined near-term target as five to ten years, which is within the medium-term target as defined by Jardines.

Consistency with TCFD requirements

Our climate-related disclosures meet the reporting requirements for UK standard listed companies, and are consistent with the TCFD recommendations on:

- governance – all recommended disclosures;
- strategy – disclosures (a) and (b);
- risk management – all recommended disclosures;
- metrics and targets – disclosures (b).

As we are still in the early stages of our TCFD journey, we acknowledge that we are not fully consistent with TCFD requirements, including the additional guidance for all sectors published in October 2021. It will take some time for us to fully consider and plan the actions necessary to achieve alignment. We will continue to move forward and improve our disclosure in the coming years.

For strategy disclosure (c), we are still analysing our climate risk assessment results and in the process of identifying more climate opportunities, and we have not yet fully adjusted our business strategy for climate resilient development under the low emissions scenario. This is an ongoing area of collaboration between Group Sustainability, GARM and Group Strategy in the short term.

For metrics and targets disclosure (a) and (c), as a conglomerate operating across a variety of sectors, setting Group-wide metrics and targets to assess climate-related risks and opportunities is complex. We will continue exploring the metrics which are applicable across different business units and industries in the short term.

Responsible Consumption

We seek to leverage the scale and reach of the Group in promoting resource efficiency and circular business operations. Our Group businesses come together through our Responsible Consumption Working Group ('RCWG'), to collaborate and drive the Group strategy at the operational level.

In 2023, the RCWG met quarterly to progress work on the implementation of ongoing waste initiatives and to establish a coordinated approach to further enhance circularity efforts across the Group. Through closer collaboration between our businesses, we create more value as a Group by leveraging our synergies and cross-sectoral expertise. Our businesses are actively sharing insights and exploring collaboration opportunities. We will continue to seek opportunities to leverage the diversity of industries our Group businesses operate in, to promote circular resource loops between our businesses.



Throughout 2023, one of the RCWG's key objectives was to identify major waste streams and expand ongoing waste reduction initiatives. We prioritised our efforts on the major types of wastes produced in our operations: food waste, plastic waste and wood waste. Furthermore, with support from the RCWG members and colleagues across the Group, each major business unit has set or are well on the way to setting, a waste-related target.

Group Sustainability keeps up-to-date on the latest market trends and engages with our businesses to discuss specific issues that may have a significant impact on our businesses. Knowledge sharing has been a core function of the working groups, and we continue to invite subject matter experts to share their insights on relevant topics. We also engage our businesses to share their waste management experiences and learnings with other sectors within the Group. The RCWG will continue to actively seek waste reduction collaboration opportunities, and actions have been identified to follow up on recent discussions.

Contributing to the protection of nature is a key element of our commitment to sustainability. Nature risks include loss of biodiversity and degradation of ecosystems. At the UN Biodiversity Conference ('COP15') held in 2022, governments established a series of goals and targets for 2030 and 2050 as part of a framework to halt and reverse biodiversity loss. Jardines is closely monitoring global developments post-COP15, including the regulatory requirements of the Task Force for Nature-related Financial Disclosure ('TNFD'), and the increasing levels of interest in biodiversity conservation, as well as looking for future opportunities for the Group. In the coming year, we will continue to work with external parties to provide training and education on nature and biodiversity for our businesses, mainly through the RCWG.

We remain closely engaged with our businesses and relevant stakeholders to address biodiversity issues, including supporting the long-term preservation of the Tapanuli orangutan in the area around the Martabe mine in Indonesia. More up-to-date details can be found in the statement on the Martabe mine and Tapanuli orangutan in the Sustainability section of the Company's website.

Social Inclusion

Contributing to the sustainable growth of our cities and supporting the people in our communities has been a longstanding commitment at Jardines. Our community investment strategy focuses on positive contributions towards the issues of education, health – with a keen focus on mental health – and livelihoods.

For over 40 years, the Jardine Foundation has been providing access to higher education and has awarded over 400 scholarships, at the undergraduate and postgraduate level, to help outstanding students from the Group's Asian markets study at top UK universities. In 2023, the Foundation turned its attention to supporting access to leading universities in our operating markets in Asia. We launched two new scholarship schemes with the University of Hong Kong and the Universitas Gadjah Mada in Indonesia, and now provide scholarships to 30 new students each year.

Recognising the pressing need for increased access to reliable quality mental health care and effective treatment options, Jardines established MINDSET in Hong Kong in 2002, with a vision to create inclusive communities, empowered to improve their mental health. When MINDSET was first established, the mental health community was

underserved and affected by social stigma. Over the past 20 years, MINDSET has worked to raise awareness and acceptance of mental health issues within the community. As understanding of mental health has improved, MINDSET has provided vital support to those who are tackling mental health difficulties and helping individuals in mental health recovery settle into the community. MINDSET collaborates with several mental health organisations and since the launch of MINDSET Hong Kong in 2002, over HK\$92 million has been raised to support 214,000 beneficiaries. Following the initial success of MINDSET, operations expanded into Singapore in 2011.

Volunteers play a key role in driving MINDSET initiatives. By bringing people from diverse backgrounds together, we are able to collaborate on ideas and insights, amplifying our impacts to promote mental health to a wider audience. In 2023, the MINDSET Ambassador Programme was launched, bringing together like-minded individuals across the Group to support MINDSET in creating positive impact on mental health awareness. Through the planning and coordination of MINDSET initiatives, our ambassadors contribute to the mental wellness of our communities.

This past year also marked the return of MINDSET's annual fundraising event "Walk Up Jardine House" in its physical race format, for the first time since 2020. Through a hybrid combination of physical and virtual races, over 2,500 participants across 69 businesses accumulated 15 million steps – the equivalent of the height of 16,000 Jardine Houses. The event raised a record HK\$5 million for mental health. MINDSET also invited nine NGO partners to host mental health activities and games at the Walk Up Jardine House Carnival.

