

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT 2022

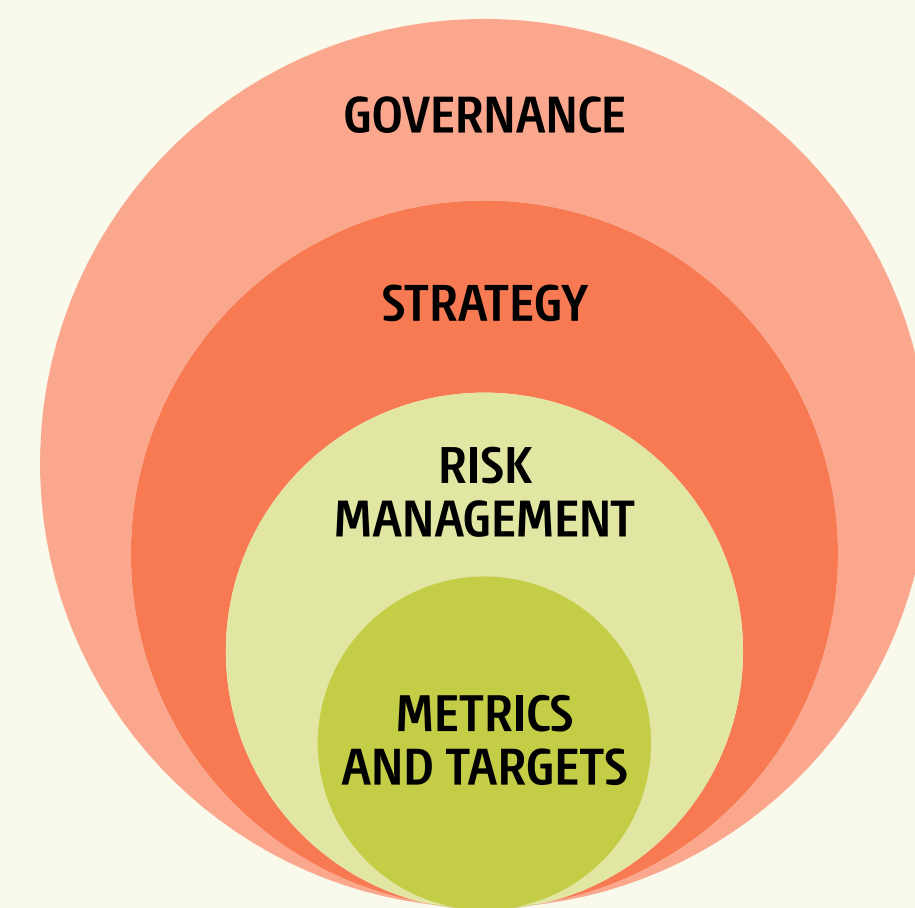
3	<b>OVERVIEW</b>
5	<b>GOVERNANCE</b>
6	<b>RISK MANAGEMENT</b>
7	<b>STRATEGY</b>
11	<b>METRICS AND TARGETS</b>

## OVERVIEW

The Task Force on Climate-Related Financial Disclosures ('TCFD') was created in 2015 by the Financial Stability Board to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders. In 2017, the TCFD released a set of disclosure recommendations structured around four thematic areas that represent core elements of how organisations operate as shown in Figure 1. These are supported by 11 recommended disclosures that build out the framework with information that will help investors and others understand how reporting organisations assess and manage climate-related risks and opportunities.

In this report, CK Hutchison Group Telecom Holdings Limited ('CKHGT' or 'the Group') has adopted the structure from the TCFD guidance to share its current progress and future plans. This report is aligned with the TCFD Report 2021 of its parent company CK Hutchison Holdings Limited ('CKHH').

FIGURE 1: CORE ELEMENTS OF THE TCFD RECOMMENDATIONS



With every year that passes, the urgency of action to address climate change increases. CKHGT welcomes the developments and pledges through inter-Governmental processes with strengthened commitments now more aligned to a 1.5°C degree pathway. It also, however, recognises that there is much more work to be done by all sections of society if these commitments are to stay within reach.

The physical and transition climate-related risks and opportunities of climate change are impacting CKHGT now and will continue to do so in the future; it is fundamental to risk management and a critical lens that is required for business strategy development.

To ensure CKHGT's alignment to leading practice, CKHGT made significant progress during 2022 obtaining validation of scope 1 and 2, and scope 3 targets aligned with a pathway to 1.5°C, by the Science Based Targets initiative.

The impacts of climate change also present significant opportunities to CKHGT and each of the businesses are, in unique ways suited to their differing market contexts, taking meaningful action to enable the net-zero transition.

CKHH has set out ten net-zero transition opportunities that it is prioritising to cut its carbon footprint, address current and emerging climate-related risks, and enable emissions reductions across its customer base through its product and service solutions. This report sets out the importance of these transition opportunities for CKHGT's business units and examples of how they are being implemented in the telecommunications context.

CKHGT recognises that the world's transition to net-zero is not a linear path. It is a route upon which the goal posts will move, technologies will change, and understanding will evolve. It must be managed with an authentic and ambitious desire for change that is rooted in business purpose, and an approach that is firmly based on science.

While CKHGT is still working on its exact pathway, it is already contributing meaningfully, as well as being committed to improving the sophistication and maturity of its approach, and reporting to its stakeholders as it progresses.

As with sustainability reporting more generally, CKHGT sees its TCFD reporting as an evolution that it is committed to improving over time as its understanding, systems and processes to address the climate-related risks and opportunities continue to evolve. For this first report, the aim is to communicate the Group's current status to stakeholders and use the opportunity to also conduct a gap analysis for further actions CKHGT must take to mature its approaches to managing and disclosing on its climate-related risks and opportunities.

In terms of implementation of each of the TCFD recommendations, there are several areas where CKHGT is progressing well and other areas that have been identified for further action plans that are discussed throughout this report. Figure 2 on the next page indicates CKHGT's progress in this regard.

FIGURE 2 ON FOLLOWING PAGE

**FIGURE 2: STATUS OVERVIEW OF TCFD RECOMMENDATIONS IMPLEMENTATION**

GOVERNANCE		RISK MANAGEMENT		STRATEGY		METRICS AND TARGETS	
Disclose the organisation’s governance around climate-related risks and opportunities.		Disclose how the organisation identifies, assesses, and manages climate-related risks.		Disclose the actual and potential impacts and climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material.		Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
Recommended Disclosures		Recommended Disclosures		Recommended Disclosures		Recommended Disclosures	
a)	Describe the board’s oversight of climate-related risks and opportunities.	a)	Describe the organisation’s processes for identifying and assessing climate-related risks.	a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
b)	Describe management’s role in assessing and managing climate-related risks and opportunities.	b)	Describe the organisation’s processes for managing climate-related risks.	b)	Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.
		c)	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management.	c)	Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

●

GOOD DISCLOSURE - WHILE STILL AIMING TO CONTINUOUSLY IMPROVE

●

LIMITED DISCLOSURE - COVERAGE TO BE INCREASED, QUALITY TO BE IMPROVED

●

NO DISCLOSURE - LIMITED COVERAGE, METHODOLOGIES IN EXPERIMENTAL PHASE

# GOVERNANCE

**TCFD Recommendation**  
**Disclose the organisation's governance around climate-related risks and opportunities**

The governance of CKHGT's climate strategy follows the overarching structure of its wider sustainability governance which is discussed in more detail in the 2022 CKHGT Sustainability Report. For clarity of roles and responsibilities, specifically in relation to the CKHGT's climate strategy, this is outlined in Figure 3.

Internal expertise is provided by the Group's full-time sustainability experts that drive the identification, awareness building and management programmes of the climate-related risks and opportunities relevant for their business unit. The Group recognises however certain parts of the climate action

journey require external expertise, such as for conducting scenario analysis; the Group therefore engages leading third-party carbon experts, where necessary, to provide such technical expertise as it builds out its short and long-term climate action plans.

High-quality data is also fundamental. In 2022, CKHGT participated in the roll-out of sustainability data management software led by its parent company CKHH. Key benefits of this software include having the most up-to-date emissions factors and enhanced tools for ongoing variance checking and active monitoring.

## NEXT STEPS

CKHGT will continue to evolve its governance processes by actively monitoring progress against emissions reduction targets and transition plans at Policy Board level.

**FIGURE 3: CKHGT CLIMATE GOVERNANCE MODEL**

### CKHH BOARD OF DIRECTORS

Accountable for oversight of CKHH risk management, including CKHGT. Ensures CKHH has appropriate and effective risk management in place. Receives reports from the Sustainability Committee and the Audit Committee in relation to climate-related risks and opportunities. Membership includes Mr. Frank Sixt, Group Finance Director and Deputy Managing Director of CKHH. Mr. Sixt is a member of CKHH and CKHGT Boards, Chair of the CKHH Sustainability Committee and member of the CKHGT Policy Board, bringing sustainability and climate-related expertise to all roles.

### CKHH SUSTAINABILITY COMMITTEE

Reports to the CKHH Board on climate-related risks and opportunities. Progress on the Group's climate strategy, including CKHGT, is addressed as a key agenda item. In 2022, the Committee met twice with 100% attendance.

### CKHH AUDIT COMMITTEE

Reviews top risks and reports to the CKHH Board. Ensures risks are identified and managed with due regard to CKHH's risk appetite. Since 2020, climate change has been upgraded as a Group-wide risk.

### CKHGT SUSTAINABILITY WORKING GROUP

Oversight and responsibility for providing strategic direction and developing strategy regarding climate-related risks and opportunities.

### CKHGT POLICY BOARD

Its membership includes Mr. Frank Sixt, who is also a member of the CKHGT Board, the CKHH Board, and the CKHH Sustainability Committee. The Policy Board also includes CEOs of CKHGT business units. It is responsible for approving the CKHGT Sustainability Strategy, and key strategic sustainability projects and public reports.

### CKHGT SUSTAINABILITY NETWORK AND CLIMATE ACTION WORKING GROUP

Responsible for driving collaborative progress on sustainability including climate-related strategy, risks and opportunities across CKHGT business units. Membership of both groups includes sustainability leads from all business units. Membership of Climate Action Working Group includes additional energy and environment managers from business units.

SUSTAINABILITY	RISK MANAGEMENT	FINANCE	INTERNAL AUDIT	IT	LEGAL	HR & CORPORATE AFFAIRS
Spearheads development of Group climate strategy in partnership with key Group functions and core business divisions.	Manages the enterprise risk framework and oversight of division-level top risk profiles.	Oversees budgeting, planning and CAPEX approval of climate technology and solutions.	Conducts audits of sustainability-related controls and audits of emissions data.	Manages sustainability data management platform for collection and tracking of emissions data.	Oversees current and future climate-related policy actions that may impact the Group.	Arranges compensation and talent programmes and corporate communications.

# RISK MANAGEMENT

**TCFD Recommendation**  
**Disclose how the organisation identifies, assesses, and manages climate-related risks.**

CKHGT, as a member of CKHH, adopts an Enterprise Risk Management framework which is consistent with the COSO (the Committee of Sponsoring Organisations of the Treadway Commission) framework. The framework facilitates a systematic approach in identifying, assessing and managing risks, including climate-related risks, within the CKHH Group, be they of strategic, financial, operational or compliance nature. As part of enterprise risk management, CKHH has developed an Impact Matrix to define, identify and categorise potential business impacts into 5 ratings, ranging from 1, 'minimal', to 5, 'extreme'.

Risk management is an integral part of the day-to-day operations and management of CKHH and is a continuous process carried

out at all levels of the CKHH Group, including CKHGT. There is ongoing dialogue between the CKHH Executive Directors and the executive management teams of each business unit within CKHGT regarding current and emerging risks, their plausible impact and mitigation measures.

In terms of formal risk review and reporting, CKHH adopts a top-down and bottom-up approach, involving regular input from CKHGT as well as discussions and reviews by the CKHH Executive Directors and the Board, through the Audit Committee. More specifically, on a half-yearly basis, as part of the Group's Enterprise Risk Management framework, business units are required to formally identify and assess the significant risks their businesses face, whilst the CKHH Executive Directors provide input after taking a holistic assessment of all the significant risks that the CKHH Group faces. At CKHGT, risks are divided into two categories and four sub-categories, external and internal financial risks, strategic risks, operational risks and hazard risks. These risks are managed via four main approaches: retaining the risk, avoiding the risk activity, transferring the risk to a third party and insuring the risk. Relevant risk information including key mitigation

measures and plans are recorded in a risk register to facilitate the ongoing review and tracking of progress.

The composite risk register together with the risk heat map, as confirmed by the Executive Directors, form part of the risk management report for review and approval by the Audit Committee on a half-yearly basis. The Audit Committee, on behalf of the Board, reviews the report and provides input as appropriate so as to ensure effective risk management in place.

Since 2020, climate change has been given additional focus and included as one of the top risks in the risk register that could affect the CKHH Group's financial condition or results of operations.



## RISK MANAGEMENT IS AN INTEGRAL PART OF THE DAY-TO-DAY OPERATIONS AND MANAGEMENT

### NEXT STEPS

In 2023 and 2024, CKHGT will be undertaking important steps to strengthen its methodology and tools to identify and assess climate-related risks and opportunities, and together with its parent CKHH, to increasingly integrate the results of our climate change scenario analysis with our enterprise risk management processes, which in turn will help strengthen the Group's mitigation and adaptation responses.

# STRATEGY

## TCFD Recommendation

**Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material.**

The CKHH Group recognises that physical and transition climate-related risks and opportunities have the potential to impact the Group’s financial position in the medium and long term, including in relation to CKHGT.

During 2022, with increasing materiality of climate-related risks, the CKHGT Climate Action Working Group initiated a large-scale project to identify and prioritise climate risks in the context of three different scenarios, through a series of internal workshops, in line with the recommendations from the TCFD.

The first phase of this project was to develop three scenarios aligned with expected practice, with reference to the [TCFD Guidance on Scenario Analysis for Non-Financial Companies](#). These scenarios were selected to test both transition and physical risks, including transition risks under both orderly and disorderly pathways, and to specifically include a 1.5 degrees scenario. They also allow for a consideration of risks and opportunities over the short, medium and long term (to 2050) – in line with the Paris Agreement and global net-zero targets.

**FIGURE 4: CKHGT CLIMATE SCENARIOS**

### NET-ZERO (ORDERLY TRANSITION)

**1.5°C**

An ambitious scenario that limits global warming to 1.5°C through stringent climate policies introduced immediately, and innovation, reaching net-zero CO<sub>2</sub> emissions around 2050.

There is an emphasis on:

- decarbonising the electricity supply
- increasing electricity use
- increasing energy efficiency
- developing new technologies to tackle hard-to-abate emissions.

Transition risks are high due to higher emissions costs and changes in business and consumer preferences.

Physical risks are low.

### DELAYED TRANSITION (DISORDERLY)

**2°C**

Assumes global annual emissions do not decrease until 2030. Strong policies are then introduced suddenly to limit warming to below 2°C.

There is material short-term macroeconomic disruption, affecting the whole economy but particularly concentrated in carbon-intensive sectors.

Transition risks and carbon prices are higher than in the net-zero scenario.

Emissions exceed the carbon budget temporarily then decline rapidly after 2030 to ensure a 67% chance of limiting global warming to <2°C.

### BUSINESS AS USUAL

**>3°C**

Assumes that only currently implemented policies are preserved, leading to high physical risks.

Emissions grow until 2080 leading to about 3°C of warming and severe physical risks including heatwaves, flooding and irreversible changes like higher sea level rise.

Physical risks to the economy could result from disruption to ecosystems, health, infrastructure and supply chains, potentially leading to displacement of people and economic instability.

The workshops included sustainability and risk representatives from across the CKHGT business units, as well as a number of experts from CKHGT’s dedicated innovation business. These workshops identified risks and opportunities in relation to the following aspects of our business:

- Network and operations
- Customers, products and services
- Suppliers
- Investors
- Employees

They considered the full range of risk and opportunity drivers in accordance with TCFD guidance – for example policy and legal risks, technology risks, market risks, reputation risks, acute and chronic physical risks, resource efficiency opportunities, product and service opportunities.

An initial prioritisation of those risks and opportunities was discussed. Examples of risks emerging from this discussion included those in table 1. For further discussion of climate risks and opportunities see CKHGT’s CDP report published on the CKHGT website.

## **BUILDING RESILIENCE: MAXIMISING OPPORTUNITIES, MINIMISING RISKS**

In its 2021 TCFD Report, CKHH Group identified ten net-zero transition opportunities for which it is taking current and future actions in response to these identified risks and opportunities. Figure 5 shows how these are specifically relevant in the context of CKHGT.

More detail on each of these actions is outlined in the CKHGT Sustainability Report 2022.

### **NEXT STEPS**





In 2023 and 2024, CKHGT will commission a third-party expert to support a structured prioritisation of the full list of identified risks and opportunities, to quantify potential financial impacts and to support a deeper dive into business resilience under the different climate scenarios.

**TABLE 1: EXAMPLE RISKS AND OPPORTUNITIES FOR CKHGT**




<b>RISK OR OPPORTUNITY TYPE</b>	<b>RISK OR OPPORTUNITY DRIVER</b>	<b>RISK OR OPPORTUNITY DESCRIPTION</b>
<b>TRANSITION RISKS</b>	<b>MARKET RISK</b>	<ul style="list-style-type: none"> <li>• Increases in energy consumption due to data traffic outweighing efficiency gains through investment in more energy efficient technologies.</li> <li>• Increased demand for renewable energy in the market leading to increased cost of energy and renewable energy certificates.</li> <li>• Suppliers not being aligned to, or ready to adapt to, the changing demands</li> </ul>
	<b>MARKET RISK</b>	
	<b>MARKET RISK</b>	
<b>PHYSICAL RISKS</b>	<b>ACUTE RISK</b>	<ul style="list-style-type: none"> <li>• Damage of infrastructure due to storms and flooding causing service disruption and operational costs.</li> <li>• Production shortages or supply chain delays due to physical impacts of climate change.</li> </ul>
	<b>ACUTE OR CHRONIC RISK</b>	
<b>OPPORTUNITIES</b>	<b>RESOURCE EFFICIENCY</b>	<ul style="list-style-type: none"> <li>• Optimisation of network design and operations for use of more sustainable technologies, considering energy efficiency, operating costs, revenue and customer experience.</li> <li>• Increased procurement of renewable energy to lower emissions, potentially using power purchase agreements.</li> <li>• More reliance on cloud technologies and virtualisation reducing the physical asset base exposed to climate impacts.</li> </ul>
	<b>ENERGY SOURCE</b>	
	<b>RESILIENCE</b>	



**FIGURE 5: TEN NET-ZERO TRANSITION OPPORTUNITIES**




TRANSITION OPPORTUNITY	IMPORTANCE FOR CKHGT	STRATEGY
<b>RENEWABLE AND OTHER CLEAN ENERGY</b> 	CKHGT is a major user of electricity, particularly in its networks. While investments in energy efficiency are crucial, the increasing demand for data in society places limits on what can be achieved with energy savings alone. Renewable energy is a critical aspect of the net-zero transition for telecommunications.	<ul style="list-style-type: none"> <li>Increasing procurement of renewable electricity, both through power purchase agreements and procurement of energy attribute certificates.</li> <li>Scaling use of on-site solar in some markets.</li> </ul>
<b>TRANSITIONING HIGH CARBON ASSETS</b> 	While CKHGT does not have any assets with large scope 1 emissions, it does have significant power consuming assets, some of which are becoming obsolete as technologies change.	<ul style="list-style-type: none"> <li>Decommissioning 3G networks in some markets.</li> <li>Decommissioning older, less efficient data centre equipment.</li> </ul>
<b>SUSTAINABLE TRANSPORTATION</b> 	While transport fleets contribute only less than 1% of CKHGT's scope 1 and 2 emissions, this remains a key area of opportunity for business units, and also a specific concern of employees.	<ul style="list-style-type: none"> <li>Transitioning car fleets to electric vehicles</li> <li>Offering incentives for employees to select electric vehicles.</li> </ul>
<b>ENERGY EFFICIENCY</b> 	With technologies evolving rapidly, and data use increasing in society, energy efficiency must be integrated into network design choices and management approaches. 5G presents a particular opportunity to increase energy efficiency per unit of data traffic as demand for data continues to increase.	<ul style="list-style-type: none"> <li>Network virtualisation (reducing hardware and enabling efficiencies).</li> <li>Implementation of smart features in the radio access network.</li> <li>Prioritising energy efficiency in equipment selection.</li> <li>Implementing data centre energy efficiency measures including AI-driven optimisation.</li> </ul>

**FIGURE 5: TEN NET-ZERO TRANSITION OPPORTUNITIES, CONTINUED**

TRANSITION OPPORTUNITY	IMPORTANCE FOR CKHGT	STRATEGY
<b>CIRCULAR ECONOMY AND DESIGN</b> 	E-waste is the world's fastest growing waste stream. Devices have significant embodied carbon associated with production phase therefore longer time in use is an important aspect reducing the overall GHG impact. Network waste is also significant with the speed of technology change, and circular models are important.	<ul style="list-style-type: none"> <li>Enhancing device take-back and reuse / recycling schemes.</li> <li>Introducing sustainable device ownership and use models such as device-as-a-service.</li> <li>Introducing refurbished device offerings.</li> <li>Waste reduction across the product lifecycle.</li> <li>Responsible reuse and recycling of network waste.</li> </ul>
<b>CLIMATE ADAPTATION</b> 	Financial markets are increasingly aligning to more sustainable investment options including those that are committed to or consistent with a net-zero pathway.	<ul style="list-style-type: none"> <li>TCFD-aligned climate scenario analysis, identifying risks and opportunities including those related to physical impacts. The next stage is to prioritise and model the financial impact of these risks.</li> <li>Hydrological assessment on acquisition of certain new sites.</li> <li>Vulnerability assessments on certain key technological sites.</li> </ul>
<b>FINANCE AND INVESTMENT</b> 	While CKHGT does not have any assets with large scope 1 emissions, it does have significant power consuming assets, some of which are becoming obsolete as technologies change.	<ul style="list-style-type: none"> <li>Increasingly aligning capital expenditure with a net-zero pathway, including as part of the CKHH green bond.</li> <li>Considering future opportunities for linking CKHGT GHG targets to financial instruments.</li> </ul>

**\*TABLE CONTINUES ON FOLLOWING PAGE**

**FIGURE 5: TEN NET-ZERO TRANSITION OPPORTUNITIES, CONTINUED**

TRANSITION OPPORTUNITY	IMPORTANCE FOR CKHGT	STRATEGY
<b>SUPPLY CHAIN AND ENGAGEMENT</b> 	Emissions from purchased goods and services and capital goods make a significant contribution to CKHGT’s overall GHG footprint, therefore driving down these emissions is key to the transition.	<ul style="list-style-type: none"> <li>• Analytics to prioritise suppliers for engagement.</li> <li>• Integrating GHG and energy efficiency into vendor equipment selection.</li> <li>• Engaging with key suppliers to communicate net-zero targets and better understand supplier transition plans.</li> </ul>
<b>COLLABORATION, PARTNERSHIP AND ADVOCACY</b> 	Partnering with peers, customers, government and other relevant organisations is essential to accelerate the transition.	<ul style="list-style-type: none"> <li>• Active participation in the GSMA Climate Action Working Group, including recent development of the scope 3 guidance paper and white paper on circular devices.</li> <li>• Engagement with customers and other business partners on low-carbon product and service opportunities.</li> <li>• Regular engagement with Governments on climate change goals and role of telecoms in this context. Participation in GSMA’s EU Sustainability Policy Working Group.</li> </ul>
<b>CARBON OFFSETS</b> 	Reducing CKHGT’s direct carbon footprint is the first priority. Carbon offsets can help to neutralise residual emissions attributable to CKHGT that are not possible to eliminate.	<ul style="list-style-type: none"> <li>• Carbon offsets currently procured are done so either on behalf of employees or as an additional mitigating action (i.e. not reducing formally reported GHG emissions). In the longer term, there may be more focus on carbon offsets where value chain emissions cannot be eliminated.</li> </ul>

## METRICS AND TARGETS

### TCFD Recommendation

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

During the period 2021-2022, CKHGT worked with a third-party expert to extend its GHG footprint to include scope 3, and to develop science-based targets. At the end of 2022, CKHGT received approval from the Science Based Targets initiative (SBTi) for its targets.

- Reduce scope 1 and 2 GHG emissions by 50% by 2030, versus a 2020 baseline; and
- Reduce scope 3 GHG emissions by 42% by 2030, versus a 2020 baseline.

In addition, CKHGT has formally committed with SBTi that it will set net-zero targets aligned with a 1.5 degree pathway.

**REDUCE SCOPE 1 AND 2 GHG EMISSIONS BY 50% BY 2030, VERSUS A 2020 BASELINE.**

**REDUCE SCOPE 3 GHG EMISSIONS BY 42% BY 2030, VERSUS A 2020 BASELINE.**

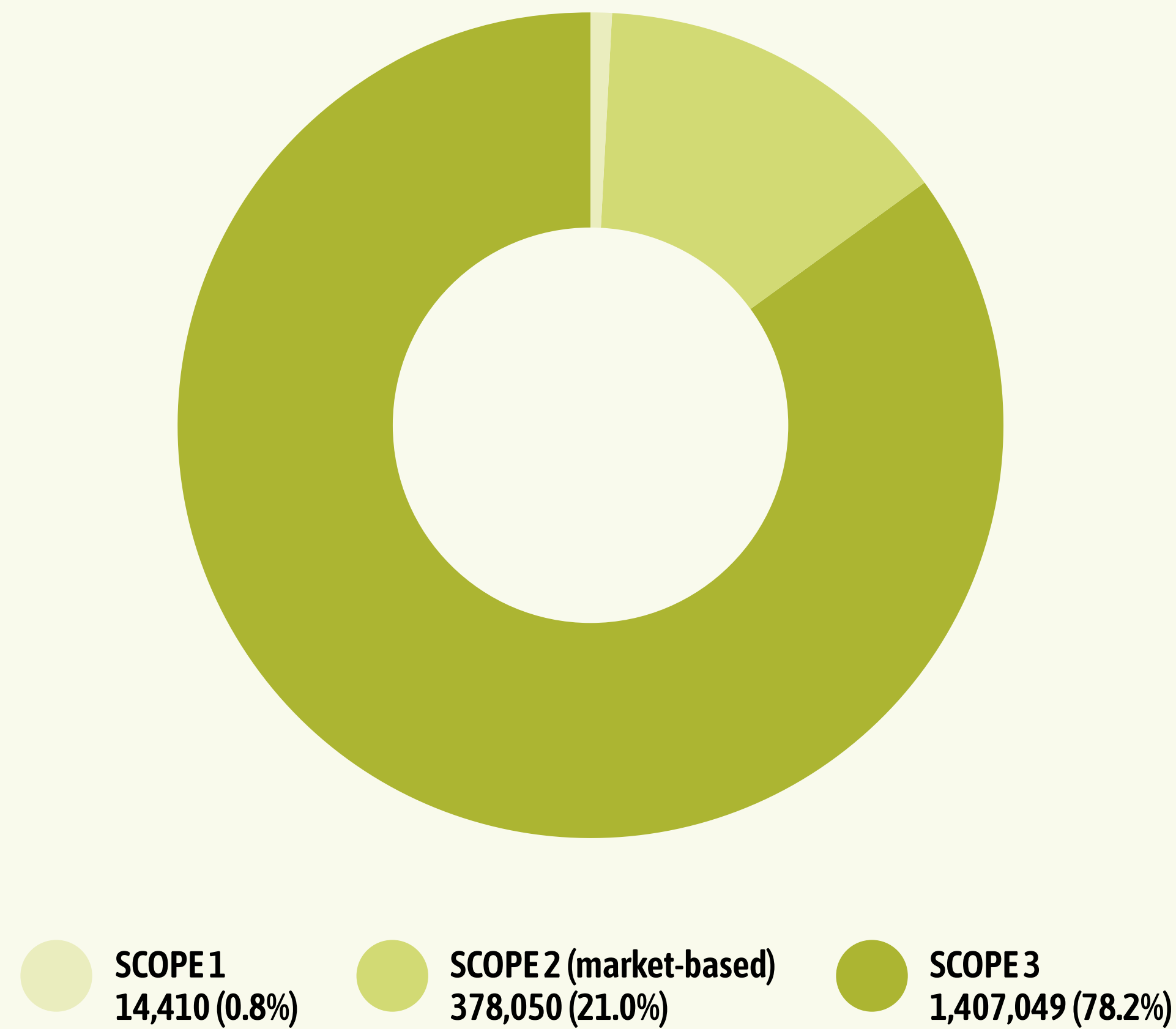
## GHG EMISSIONS REDUCTION PERFORMANCE

In 2022, CKHGT indirect electricity emissions accounted for 21.0% of its total value chain carbon footprint. Of this, networks contributed 90%. Scope 3 emissions account for 78.2% of its value chain carbon footprint. Only 0.8% of the value chain carbon footprint is attributable to CKHGT's direct, or scope 1 emissions, which largely relates to emissions by its owned and operated fleet, refrigerants leakage and natural gas heating.

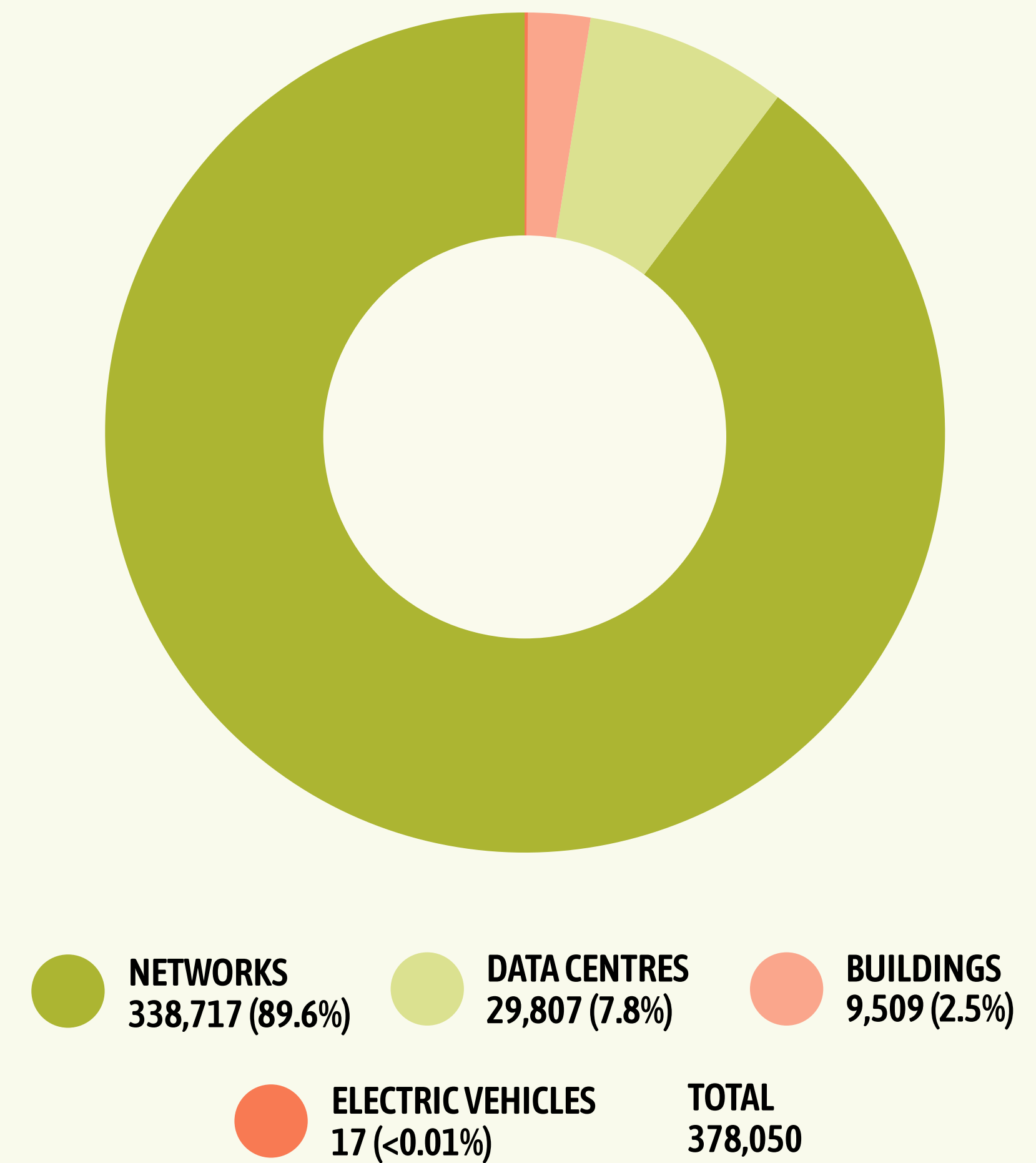
The results of this analysis support our continued focus on the following opportunities:

- **Creating energy efficiency in networks and data centres,**
- **Increasing the proportion of renewable electricity supply; and**
- **Engaging with supply chain partners to improve data availability and reduce the embedded emissions in purchased goods and services.**

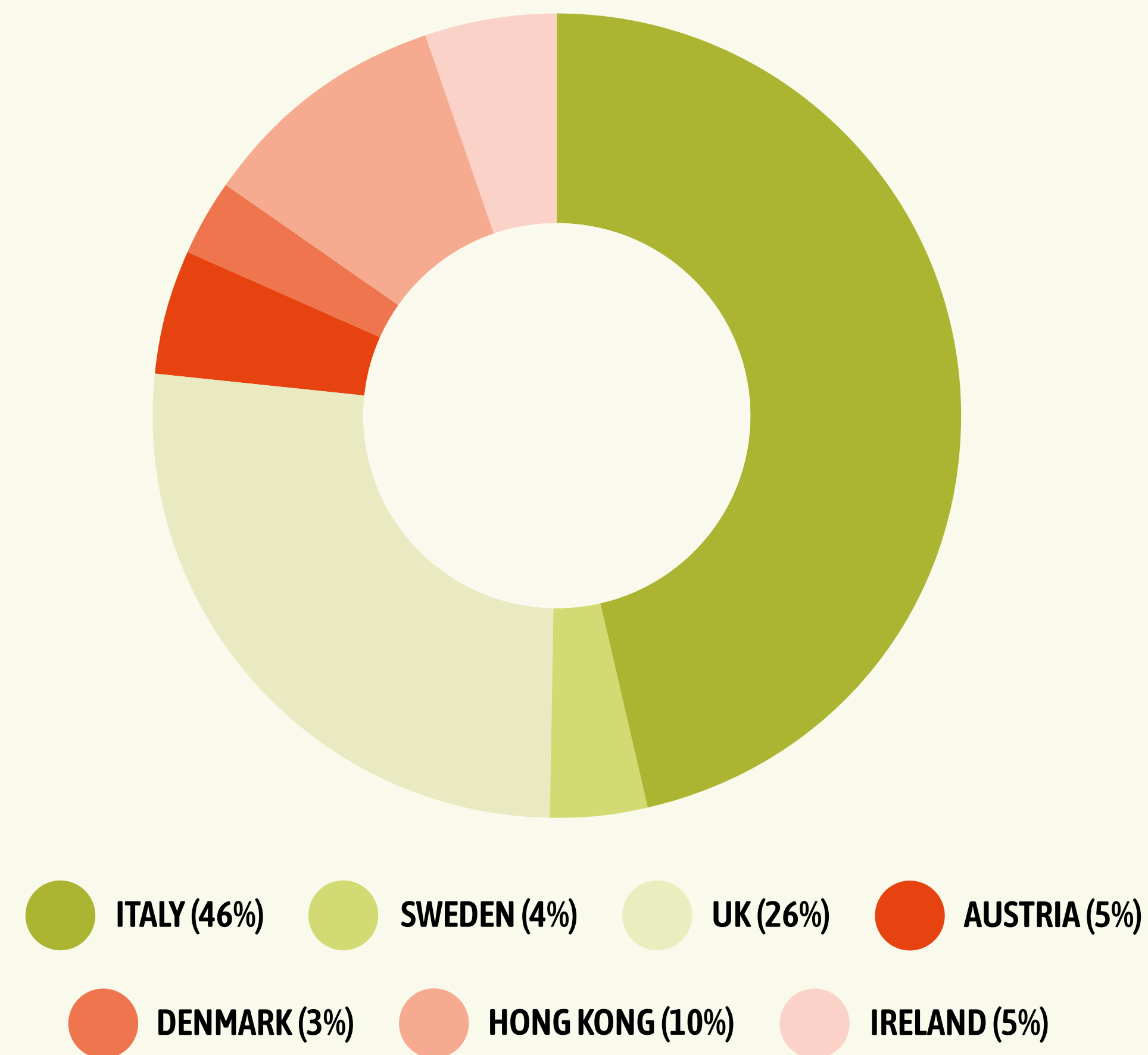
**FIGURE 6: CKHGT'S VALUE CHAIN CARBON FOOTPRINT (tCO<sub>2</sub>e)**



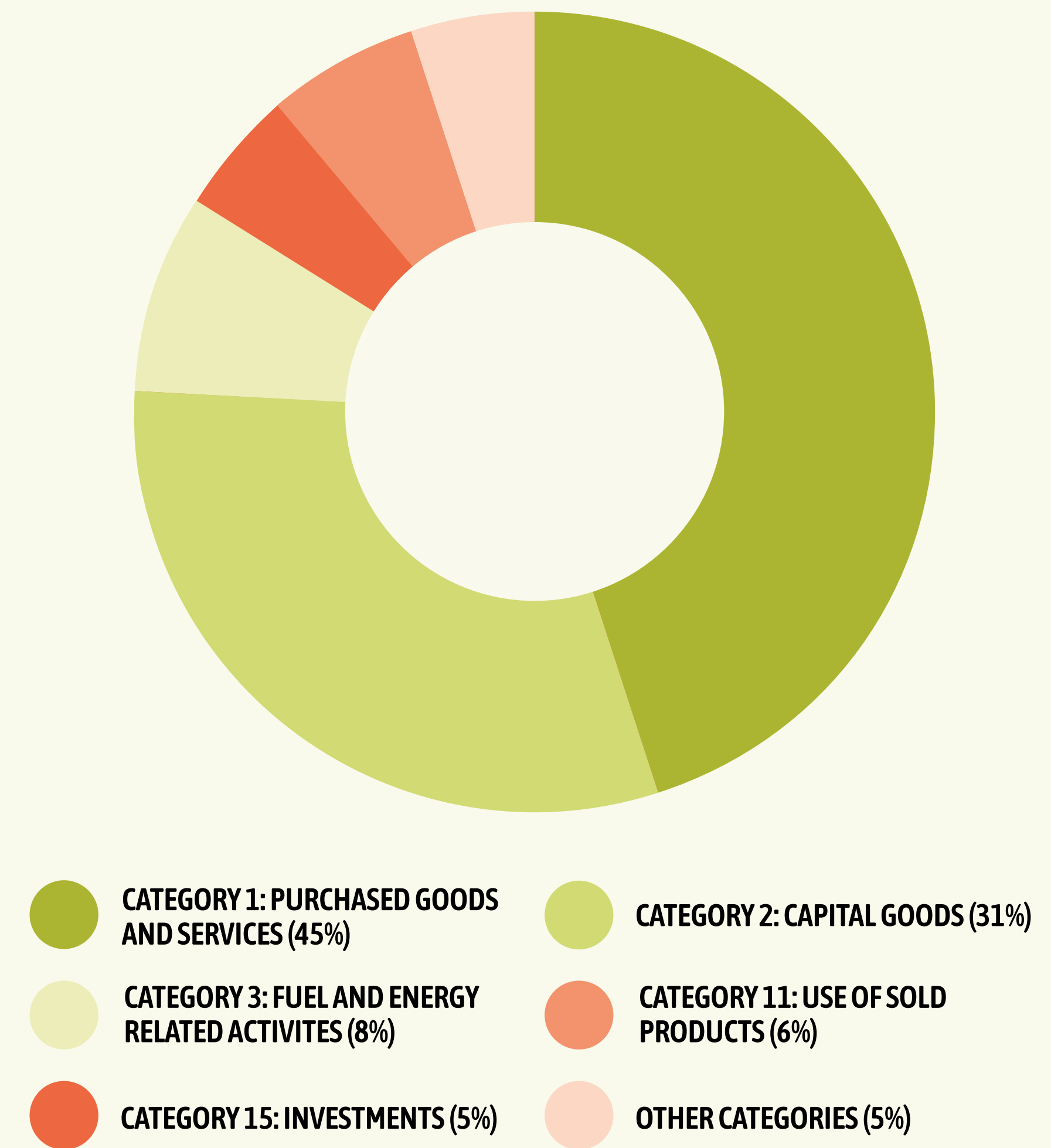
**FIGURE 7: CKHGT'S SCOPE 2 CARBON FOOTPRINT (tCO<sub>2</sub>e)**



**FIGURE 8: CKHGT'S GHG Footprint (Scopes 1, 2 (market-based) and 3) by Business Unit (tCO<sub>2</sub>e)**



**FIGURE 9: CKHGT'S SCOPE 3 CARBON FOOTPRINT**



In 2022, CKHGT reduced its scope 1 and 2 emissions by 9% as compared to 2021, and 18% as compared to the 2020 baseline GHG footprint. In the context of significant power market volatility, while some markets experienced difficulty in accessing renewable energy, Wind Tre, CKHGT's largest business, increased its procurement of energy attribute certificates to cover 30% of its electricity consumption, and Denmark entered into a new two-year renewable power purchase agreement, covering 100% of its electricity consumption from a local solar park, for the first time.



## IN 2022, CKHGT REDUCED ITS SCOPE 1 AND 2 EMISSIONS BY 18% AGAINST ITS 2020 BASELINE

**FIGURE 10: SCOPE 1 AND 2 EMISSIONS PERFORMANCE (tCO<sub>2</sub>e)**



Footnote: In 2022, restatements were made to 2020 and 2021 data reflecting: i) a change to the use of tariff-specific emissions factor for market-based emissions calculations in HK and Macau; ii) the percentages of renewable energy consumption in Austria and Sweden were reduced to reflect the identification of 'landlord' sites for which energy attribute certificates could not be confirmed; emissions associated with electricity consumption of passive equipment on mobile towers moved from scope 3 to scope 2 (for Austria and Denmark), aligning with new GSMA Scope 3 Methodology Guidance.

### NEXT STEPS

Having the best quality data is fundamental to setting targets, achieving meaningful progress and giving stakeholders a true reflection of impacts and performance.

Given the materiality of purchased goods and services and capital goods to CKHGT's value chain carbon footprint, CKHGT is focused on continuously enhancing data quality in these categories. The Group is engaging with device suppliers to expand the proportion of device footprints measured using product life cycle analysis data. It is also starting to transition from the use of the 'industry average' emissions measurement method (using environmentally extended input output model emissions factors), to the 'supplier-level allocation method' (using emissions factors based on supplier corporate or business unit level emissions data) for non-device purchases.

Going forward, business units will continue to enhance reporting processes and systems at a local level, to support consistency and efficiency of reporting on an ongoing basis.