



THE HONGKONG AND SHANGHAI HOTELS, LIMITED

Stock Code: 45

## Climate-related Disclosures 2024



# CLIMATE-RELATED DISCLOSURES

The following statement, which references the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the International Sustainability Standards Board's (ISSB) International Financial Reporting Standard (IFRS) S2 Climate-related Disclosures, outlines how we manage climate-related risks and the implications these risks may have for our business. Please refer to the Climate-related Disclosures Content Index on p.11 of this report on alignment to Part D of the HKEX ESG Code<sup>1</sup>, the IFRS S2 Climate-related Disclosures, and any additional explanations or remarks on disclosure requirements.

## Our Sustainability and Climate Strategy

Global temperature has reached historic high for the past years and the latest Intergovernmental Panel on Climate Change (IPCC) Report indicate that temperature rise is on the trajectory to surpass 1.5 degree celsius before 2030, leading to adverse outcomes such as melting of glaciers, rising sea levels and shifting of ecosystem and weather pattern. Our operations already observe the rise in frequency and intensity of extreme climate events. We recognise the urgent need to manage climate-related risks proactively and identify opportunities to transition to a low carbon future. Our group sustainability strategy *Sustainable Luxury Vision 2030 (Vision 2030)* serves as the blueprint for the company to navigate towards such future, while at the same time enhancing our resilience.

Our climate strategy focuses on:

- i. Accelerating the Reduction in Greenhouse Gas (GHG) Emissions:** Implementing energy efficiency projects and transitioning to sustainable and cleaner energy sources, with reference to industry specific science-based reduction target.
- ii. Assessment and Adaption of Climate Risks:** Enhancing resilience of all existing assets and new investments (such as through flood defenses, use of heat-resistant materials, and sustainable building design), to protect our buildings from future climate threats and potential financial implications.
- iii. Integration of Sustainability in Decision-Making:** Embedding sustainability into day-to-day operations, from optimising building performance to sourcing from sustainable suppliers. This ensures we prioritise low-carbon practices throughout our value chain and invest in low carbon technologies.

To help facilitate our response to climate change, we have set the following group-wide targets in *Vision 2030*:

- Reduce our key environmental impact from the baseline year of 2010 by:
  - 55% for carbon and water intensity
  - 35% for absolute carbon emissions
- Align new developments and major renovations with international sustainable building standards (such as BREEAM<sup>2</sup>) and ensure building preparedness for future climate events
- Embed climate adaptation measures for existing operations and future investments
- Increase the use of renewable and regenerative energy and water sources
- Prioritise sustainable and locally sourced key products (including tea, coffee, chocolate, paper and cleaning products) and services such as operational procedures to minimise negative environmental impact (e.g. energy, water and waste reduction), and employing good labour practices that respects human rights

Starting in 2018, we embarked on our journey to understand the potential impact of climate change on our business based on desktop research. Through the years, we continued to work with consultants to deepen our understanding, particularly on physical and transition climate-risks. In 2024, we focused on conducting in-depth assessments on the exposure of our global assets against seven physical climate hazards, namely heat, cold, precipitation, wind, drought, wildfire, flood.

We have also looked to further embed sustainability in our decision-making processes. To this end, we have put in place a plan to incorporate the results of these in-depth assessments into our semi-annual operations risk register, ensuring such risks are regularly monitored and that mitigation actions are being implemented to protect our assets. We also recently added Environmental, Social and Governance (ESG) risks as a principal risk for our company. This aims at ensuring we proactively manage such risks from a group's perspective, identifying opportunities, and developing a transition plan in response to the potential physical and financial impacts of climate and other sustainability issues on our business. In addition, we have started to factor sustainability in our annual financial planning exercises to ensure related risks and opportunities are considered in our budget planning and capital deployment strategies.

<sup>1</sup> Environmental, Social and Governance Reporting Code (ESG Code) in Appendix C2 of the Listing Rules.

<sup>2</sup> Building Research Establishment Environmental Assessment Method.

## CLIMATE-RELATED DISCLOSURES

### Governance on Climate Risks

The Group Corporate Responsibility Committee (GCRC) was set up in 2007, with support and oversight from the Board, to manage sustainability and climate actions across the group. The GCRC is co-chaired by the Chief Executive Officer and the Chief Corporate and Governance Officer, who is also the chair of the Group Risks Committee (GRC), to further facilitate the integration of sustainability and risk management throughout our business. With the climate change crisis emerging as a top global and business risk, the GCRC is responsible for the proactive monitoring of related issues and developing mitigation actions through our sustainability strategy *Vision 2030*. Several cross-function members of the GCRC also sit on the Group Management Board (GMB), which has been delegated responsibility from the CEO to ensure sustainability is factored in our day-to-day business decisions. In 2025, we will start introducing *Vision 2030* targets in our balanced scorecard to monitor our progress towards such goals and facilitate continuous improvement and accountability across the organisation.

From a risk management perspective, the Head of Corporate Responsibility and Sustainability (CRS) updates the GRC on emerging risks at least once a year, ensuring climate risks are being considered and integrated into the company's broader risk management approach. Given its importance, the Board has delegated additional responsibility to the Audit Committee to review the effectiveness of the company in managing ESG risks starting in 2023.

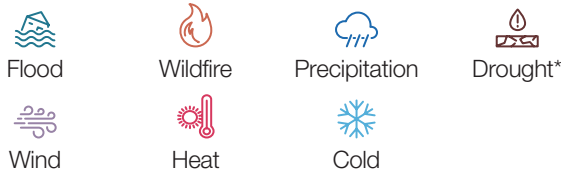
**AR** Read more on GRC's work on page 191 in the Annual Report 2024

The Board reviews the group's sustainability strategy and is informed on climate-related issues from the Head of CRS at least once a year. In 2024, the Head of CRS together with external consultants conducted a stakeholder engagement exercise with members of the Board to facilitate discussions around sustainability issues most material to the company, including climate resilience and decarbonisation. A subsequent session was later organised for the Board to discuss the results.

### Assessing Our Climate Risks

In 2024, we focused our assessments on physical climate risks to understand our portfolio's exposure to the frequency and intensity of climate hazards. We conducted our assessment using a leading climate risk analytic tool, supported by a global team of scientists in the fields of climate, weather, hydrological and data science, as well as advisors from global investment banks and insurance firms. The tool uses large-scale information from the latest Coupled Model Intercomparison Project (CMIP6) global climate models, coordinated by the World Meteorological Organisation (WMO) to inform current and projected future climate impacts of up to 90m spatial resolution on a map. The tool is also updated regularly to ensure the latest climate research is incorporated.

Our assessment was focused on seven physical climate hazards which include:



\* The assessment for drought risk was conducted separately using the World Resources Institute (WRI) Water Risk Atlas for the most up-to-date data.

The physical climate hazards were assessed using the SSP5-8.5 (high GHG emission, stress test scenario) climate scenario published in the IPCC Sixth Assessment Report (AR6), in alignment with international disclosure recommendations<sup>3</sup>. We are also able to compare the results using SSP1-2.6 (Paris-aligned low GHG emission) and SSP2-4.5 (middle GHG emission) to consider varied future environments.

It is important for us to understand both present day and future climate exposure risks so we can protect our assets against immediate damage, while planning for longer term adaptation measures against future impacts. Our assessments evaluated the exposure of our assets to climate hazards under different timeframes and we have defined the following marker years: 2020 as present day, 2030 as short-term, 2050 as medium-term, and 2100 as long-term. The timeframes selected are widely adopted by the industry and align with our short to medium term decarbonisation goals and actions.

The scope of our assessment included assets within our hotels and commercial properties portfolio. As owner and operator, we have oversight of the implementation of mitigation and adaptation actions in our buildings. We plan to expand our scope to include other managed businesses within our portfolio in the future.

<sup>3</sup> As recommended by disclosure frameworks such as Corporate Sustainability Reporting Directive (CSRD).

## Physical Risks

Aggregated portfolio risk ratings were assigned using absolute scores for present day exposure to physical climate events i.e. high exposure risk meaning more frequent and higher intensity of events, and arrows showing changes in movement to the future (2050). The potential impact of such climate hazards are also taken into consideration based on internal qualitative discussion. Currently, these categorisations have not taken into account i.) financial loss or damages and ii.) any mitigation treatments already implemented by our own operations or by local governments. We plan to incorporate these considerations in the future for more comprehensive assessment.

Hazards	Potential Impact	Present day Exposure	Trend to 2050
Flood	High	Low Exposure	➔
Wind	High	Medium Exposure	➔
Fire	Medium	Lowest Exposure	➔
Precipitation	Medium	High Exposure	➔
Heat	Medium	Medium Exposure	⬆
Cold	Medium	Low Exposure	➔
Drought*	Low	Medium Exposure	➔

### Present day climate exposure risks

Our analysis of present day risks indicates most of our assets in its locality are currently exposed to highest frequency and intensity of precipitation, followed by wind, heat and drought.

The location of our assets beings in coastal or tropical areas such as in Hong Kong, Bangkok, Manila, Ho Chi Minh City, Tokyo and Shanghai are more exposed to precipitation, wind and heat. Assets most exposed to drought risks are our locations in Beijing, Shanghai, Los Angeles, and Istanbul. Flooding, though shown as having lower exposure risk in our portfolio, has the potential to cause significant damage resulting in financial loss, warranting the group to proactively monitor this hazard's risk. We have already observed flood and fire hazards (e.g. flooding in New York and Beijing, wildfires in Los Angeles area) impacting the surrounding area of our properties.

#### Potential impact

Based on qualitative discussion of impact on assets

#### Present day exposure

Based on frequency and intensity of hazards

#### Trend to 2050

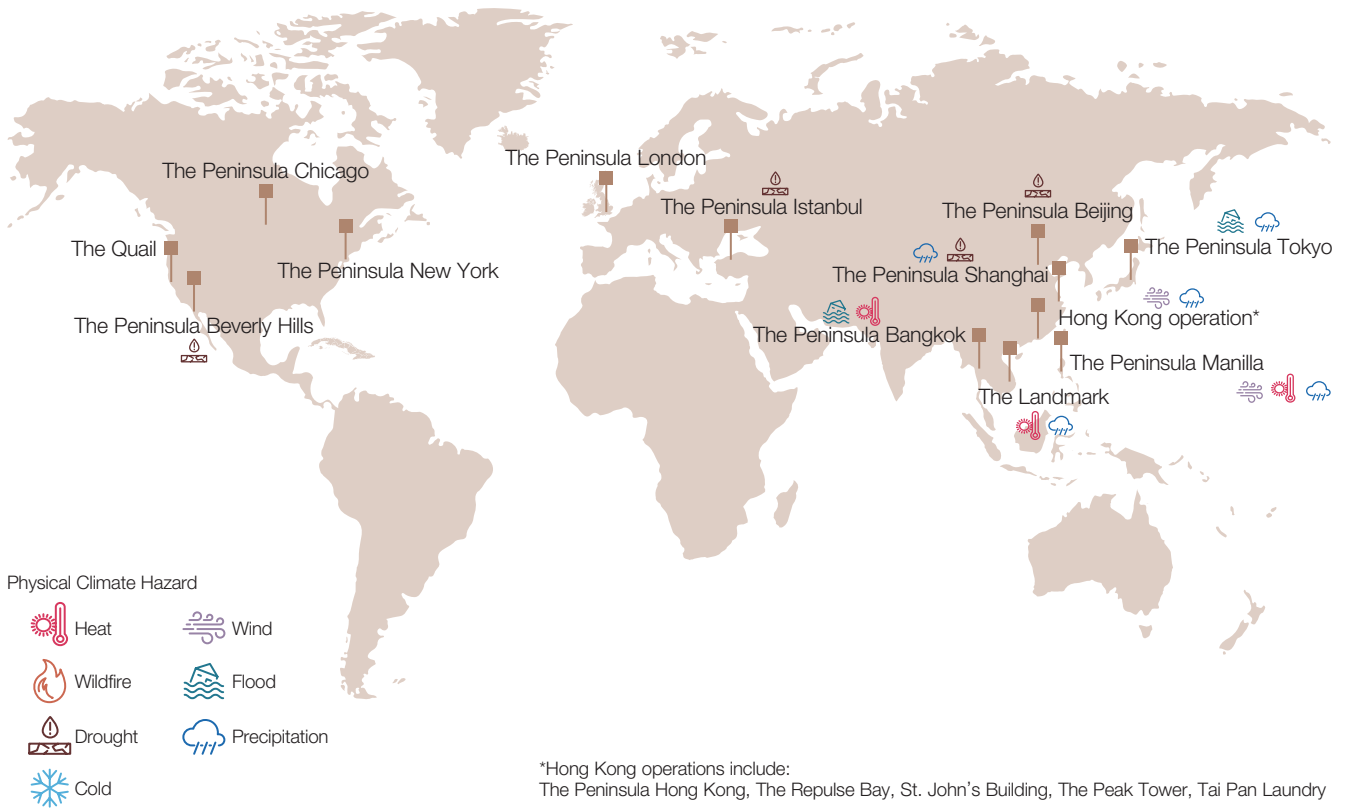
Change in frequency and intensity of hazards in future



\* Drought assessments were conducted separately and results are based on the WRI water risk atlas

# CLIMATE-RELATED DISCLOSURES

## Locations in HSH Portfolio with Highest Exposure in the Present Day



### Future climate exposure risks

When considering the change in risk level from present day to the medium-term future (2050), exposure to precipitation and heat are expected to increase moderately. On the other hand, exposure to cold temperature is expected to decrease moderately as global temperatures are predicted to continue rising in the coming decades. Risk levels for exposure to other hazards are not expected to change significantly.



### Current and Anticipated Physical Climate Impacts

In this section, we discuss the current and anticipated physical impacts caused by climate hazards which our portfolio is assessed to have the highest exposure to.

Physical Climate Hazards	Current Impact	Anticipated Impact
Precipitation (acute risk)	Heavy and prolonged precipitation causes operational disruptions, particularly in assets with outdoor operations or restaurants. It may also cause supply chain interruptions such as transportation disruptions and potential delayed delivery of supplies. Persistent heavy precipitation will add burden to the local storm sewage system and cause flash floods as observed in cities like New York, Hong Kong, Beijing, Bangkok, Los Angeles in past years.	Increased days with extreme precipitation in the future may disrupt our guests' travel patterns leading to lower occupancy during the rainy season, cancellations of hotel rooms, and restaurant and event bookings.
Wind (acute risk)	In 2024, Southeast Asia experienced an unusually late typhoon season with four consecutive typhoons, including one super typhoon, making landfall in November and resulting in widespread disruptions and flooding in areas of Japan, the Philippines, Thailand, and China including Hong Kong. The Philippines in particular, experienced six typhoons in a 30-day period from mid-October to November. Typhoons and hurricanes may cause operational disruptions and physical damage or strain to our assets.	Increased severity and frequency in tropical storm events in the future may cause physical damage or strain to our assets, leading to increased insurance premium. Potentially longer and increasingly unpredictable typhoon/hurricane seasons may further disrupt travel patterns leading to booking cancellations.
Drought (chronic risk)	We currently operate in drought-risk jurisdictions where water conservation regulations are in place, resulting in restricted or limited use of water in our operations. For example, our operations in California are required to switch to low-flow fixtures and observe mandatory water use and irrigation regulations.	Increased drought events may impact food and other agricultural commodities' availability, quality and prices. Water scarcity may also lead to direct increased water costs within our operations, particularly for properties with high irrigation and landscaping needs, or properties located in hot climates for cooling of buildings and machinery.

## CLIMATE-RELATED DISCLOSURES

Physical Climate Hazards	Current Impact	Anticipated Impact
<p>Flood (acute risk)</p>	<p>Flash floods (pluvial flooding) due to heavy precipitation in highly urbanised areas may be unpredictable and cause damage to our infrastructure. Assets with underground carparks or basements are more vulnerable to flooding-induced damage to vehicles or equipment. Flooding can also cause disruptions to the wider cities which our assets are located in. In August 2024, New York city experienced heavy rain floods exasperated by Tropical Storm Debby causing power outages, disruptions in the subway system and flight cancellations across the area.</p>	<p>Rising sea levels due to global warming may increase risks of coastal flooding in assets located by the sea.</p>
<p>Heat (acute and chronic risk)</p>	<p>In 2024, we experienced extreme heatwaves in April and May across Thailand and the Philippines where heat indices peaked at 53 °C. This led to an increase in our electricity consumption of 3% at The Peninsula Bangkok and 5.3% at The Peninsula Manila compared to past year to cool down our buildings.</p>	<p>Extreme heat may cause changes in travel patterns such as a decline in visitors to our destinations prone to heatwaves. It may also pose increased health risks and reduced productivity in our own employees. Energy consumption and cost will continue to rise in order to maintain a comfortable and ambient environment within our buildings for our guests.</p>

The recent wildfires in the Los Angeles area caused devastating impacts as homes and buildings were destroyed, causing people to be evacuated and displaced. While the fires have not caused direct impact to our property The Peninsula Beverly Hills, we have observed the impact that the wildfires have had on our surrounding areas, and its indirect impact to our operations. For example, we have reduced our water usage so the city can prioritise it for firefighter’s use. Many roads and transportation routes have been closed or damaged in our surrounding areas, reducing accessibility. You can read more on how we prepare our colleagues for these emergency situations under the Group Security and Risk Framework in p.55 of the Corporate Responsibility and Sustainability Report.

In the coming year, we aim to further enhance our data collection and refine metrics on reporting for financial impacts associated with such physical climate hazards. We will also update our assessment results based on continual refinement of climate data in our analytic tool, such as the inclusion of other types of climate hazards in our analysis.

We are furthermore planning to incorporate the physical climate risk results into our operation risk register exercise starting in 2025. Through this exercise, operations will provide more localised insights such as any mitigations actions already enacted by operations and by local government, to supplement the climate risk assessment results on a semi-annual basis. Together, the climate risk impacts will be assessed holistically across financial and non-financial metrics.



### Mitigation and Adaptation Measures

We will continue to facilitate our response to the group's climate risks through *Vision 2030*. We have established asset-level measures in place for extreme climate events such as (a) maintaining comprehensive insurance coverage for properties and businesses, (b) enhancing the resilience of the physical structure through better design, upgrade and regular checks and maintenance, and (c) establishing site and company level crisis management teams with business continuity plans to facilitate emergency responses. We also (d) install physical protections against natural disaster, extreme weather events, and chronic changes in climate (e) conduct regular evacuation drills and safety training to prepare our employees for such events, (f) implement saving initiatives to reduce our energy and water demand. Such measures will be monitored through our operation risk register exercise, where operations will be reminded to apply the appropriate preventative and crisis-related controls.

### Transition Risks

Transitioning to a lower-carbon global economy requires co-ordinated and transformative policy, legal, technology and market changes. In recent years, we have seen the nature and speed of such changes pose varying levels of risk to our organisation. We regularly refer to global reports and research such as the World Economic Forum's (WEF) Global Risks Report, as well as from the United Nations Climate Change Conference (COP29) to understand emerging transition risks with potential to impact our business.

Climate-related Transition Risks	Potential Impacts
Reputational risk	Stakeholder perceptions of our organisation may change based on their perception of our contributions or lack thereof to climate change. This may result in a decrease of employee attraction and retention, as well as of guests' demand for our goods/services. Travellers are increasingly requesting sustainability information. Booking platforms are now providing more information, such as carbon footprint, for travel and hotel options. In commercial properties, the sustainability credentials of buildings is becoming an important factor to attract tenants.
Market supply and demand	Climate change contributes to biodiversity loss and reduces the productivity of agricultural systems core to our food and beverage business which may limit the availability and selection of products, as well as lead to rising costs. For example, coffee prices spiked to a near 50-year high in 2024 with global drought conditions severely limiting supply.  We have also seen guests and travellers shifting away from products and services known to have negative impacts on our environment (such as single use plastic and sharks fin), with an increasing preference on more sustainable, low-carbon alternatives. Failing to transition may decrease demand for our luxury offerings, and hence impacting our business performance in the long term.
Litigation and regulatory compliance	We have seen an increase in climate-related litigations globally. Failure to mitigate, adapt and disclose in reference to regulations may impose fines and penalties. For example, some of our business entities will likely be required to comply with the upcoming European Union's Corporate Sustainability Reporting Directive and Deforestation Regulation. In China, regulations are imposed to phase out carbon-intensive machinery resulting in the early retirement or mandatory upgrade of some of our equipment in Shanghai and Beijing.



## CLIMATE-RELATED DISCLOSURES

### Climate-related Transition Risks

#### Environmental Management Costs

### Potential Impacts

We have seen increasing policies and regulations which impose carbon pricing through mechanisms such as carbon taxes or emissions trading, which may increase future operating costs. For example, the government in Shanghai has set a mandatory 2% year-on-year net carbon reduction for the private sector. Businesses unable to meet this target will be required to purchase Renewable Energy Certificates (RECs) as contributions. Markets which we operate in including China, Japan, the United Kingdom, Vietnam and California (USA), have also established either mandatory or voluntary carbon pricing mechanisms. We are currently exploring ways to factor in environmental cost in payback and cost-benefits analysis to accelerate adoption of projects with environmental benefits and deter away from carbon intense activities. Internal mechanisms (such as assigning shadow pricing to future projects and initiatives) may help reduce our exposure to future external carbon pricing regulations. As we increase the adoption of renewable energy in our portfolio, we are also closely monitoring the uncertainties around supply and pricing of the evolving global renewable energy market, as it may have an impact on our operating costs.

### Low Carbon Transition and Future Opportunities

Since the initiation of our sustainability strategy a decade ago, we have continued to understand and implement mitigation measures to manage our evolving climate risks. Early adoption of energy saving measures, such as the use of energy-efficient equipment and fixtures, have provided opportunities for us along our journey, and put us in good stead to face future challenges.

Through *Vision 2030*, we achieved positive carbon emission reduction progress. In 2024, we generated 21,497 tonnes CO<sub>2</sub>e Scope 1 and 60,913 tonnes CO<sub>2</sub>e Scope 2 emissions<sup>4</sup>, and our absolute carbon emission has reached 33.6% reduction compared to baseline despite the addition of our hotels in Paris, London and Istanbul since 2010. This is equivalent to 48.3% carbon intensity reduction from our baseline year of 2010 and 12.5% reduction from last year.

We were also able to accelerate our decarbonisation progress by growing our renewable energy consumption across our portfolio, which now accounted for 21.5% of our total electricity consumption in 2024, with our hotel in London sourcing 100% renewable electricity from the grid, and our hotels in Istanbul and Tokyo through the purchase of Renewable Energy Certificates. Working out a longer-term renewable energy transition plan will be a focus for coming years as this is key part of our decarbonisation journey and will enable us to grow financial resilience in an increasingly volatile energy market which has seen surging utility costs and fuel prices in recent years.

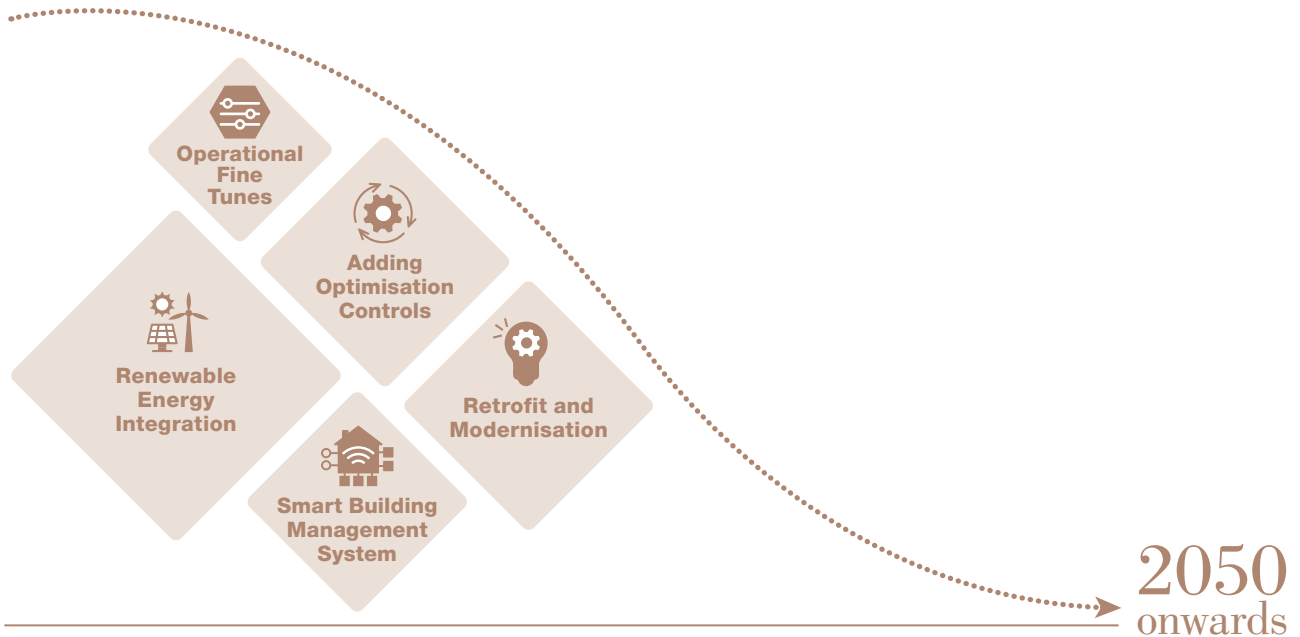
The adoption of environmental best practices has also helped ease our transition by allowing sufficient time to explore best available opportunities in the market, update internal protocols as well as training of our employees to respond to emerging regulations such as carbon reporting and disclosures.

<sup>4</sup> Please refer to the footnote section on p.73 in our Corporate Responsibility and Sustainability Report for more information on GHG calculation, scope and methodology.

Our new developments are aligned with BREEAM to ensure our buildings are constructed with a lower carbon footprint, built with consideration of acute climate hazards and chronic climate changes in the future, and enhance the reputation of our hotel as a sustainable offering in anticipation for future industry demands. We joined the EarthCheck Certification programme more than ten years ago; meeting these standards helps ensure all our hotels continue to exceed industry expectations. The recent growing market of sustainably-conscious travellers has led to an industry wide effort to promote sustainable options for travellers by aligning to Global Sustainable Travel Council and World Travel and Tourism Council's *Sustainability Basics* requirements which we have already met.

In the past year, we worked with consultants to develop a carbon reduction pathway aligned with global targets and referencing methodology aligned with climate science. In 2024, an initial proposal of decarbonisation roadmap for our Scope 1 and Scope 2 emissions was developed, which includes key action and estimated investments, and the associated carbon and cost payback for such actions. Energy audits were conducted across all our assets to understand the local context and identify potential energy and cost saving opportunities at each property. The exercise has identified five key levers to decarbonise our assets in the coming years.

## Decarbonisation Strategy



### Operational Fine Tunes

Recommissioning of building energy and continuous adjusting and monitoring to ensure that systems and equipment operate at optimal efficiency.



### Adding Optimisation Controls

Upgrade demand controls, sensors, and/or timers, to minimise energy usage in specific areas based allowing operations to fine-tune energy usage on a timely basis.



### Retrofit and Modernisation

Elevate existing infrastructure to most energy-efficient models (e.g. chiller plants, HVAC systems, and gas to electric stove, to improve energy efficiency and reduce emissions.



### Renewable Energy Integration

Accelerate GHG reduction by the utilisation of renewable energy from on-site generation, sourcing renewable energy from suppliers and local grid, and the use of green tariff or renewable energy market instruments.



### Smart Building Management System

Incorporate smart controls to allow operations to manage energy use remotely and automate processes; providing real-time insights, automated control and ensure optimal performance.

2050 onwards

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## CLIMATE-RELATED DISCLOSURES

We are also exploring ways to supplement our roadmap with market instruments to close the gaps, such as procurement of renewable energy and investment in carbon removal projects.

In 2025, local engineering teams will conduct further study on technical feasibility of the proposed roadmap. We will continue to refine the roadmap by taking a more balanced approach by taking into consideration energy and carbon savings, lifecycle of our buildings, technology maturity, and financial viability. This exercise is expected to not only yield financial savings over time, but will enable the company to have a more strategic capital expenditure planning to modernise our buildings, ensuring we maintain a portfolio of the high-quality assets for the long-term.

Climate change is also expected to place increasing pressure on our supply chains and it is important for us to understand the impacts this will have particularly on key products most vulnerable to environmental changes such as tea, coffee, chocolate, seafood, and cotton products. As part of our *Vision 2030* strategy, we are focused on working with our high-risk suppliers to improve traceability and to increase local sourcing of perishable goods, currently at more than 65% across the group, to improve resilience of our supply chain. In 2025, we plan to complete our Scope 3 emissions inventory to ensure we are able to account for and track emissions across our wider value chain. This exercise will enable us to identify Scope 3 emission hotspots and work with key suppliers to develop decarbonisation action plans.

Transition planning to prepare for a changing climate requires significant investment and long-term capital expenditure planning. Starting in 2021, we began working with banks to secure various green financing mechanisms to help generate working capital on sustainability-related capital expenditure and initiatives. As at 31 December 2024, we have signed a total of HK\$10 billion sustainability-linked and green loans, which is also expected to yield further savings on interest rate of loans. More details on our sustainability-linked and green loans can be found in our Green Finance Report.



[Read our Green Finance Report 2024](#)



## Climate-related Disclosures Content Index

This content index is based on Part D of the HKEX ESG Code and the ISSB's IFRS S2 Climate-related Disclosures.

ESG Code	IFRS S2 Standard	Section	Remarks/Explanation
<b>Governance</b>			
19(a)(i) – (iv)	IFRS S2 – 6(a)(i) – (v)	Climate-related Disclosures – Governance on Climate Risks	19(a)(iv) – The group's carbon emission reduction targets and implementation of decarbonisation roadmap are included as part of the group's balanced scorecard. We currently do not tie such performance metrics to our remuneration policies.
19(b)(i) – (ii)	IFRS S2 – 6(b)(i) – (ii)	Climate-related Disclosures – Governance on Climate Risks	
<b>Strategy</b>			
2(3)(b)	IFRS S2 – 8		
20(a) – (d)	IFRS S2 – 10(a) – (d)	Climate-related Disclosures – Physical Risks; Transition Risks; Low Carbon Transition and Future Opportunities	20(c), (d) – Further discussion on time horizons for these opportunities to be expected in future report.
21(a) – (b)	IFRS S2 – 13(a) – (b)	Climate-related Disclosures – Current and Anticipated Physical Climate Impacts; Low Carbon Transition and Future Opportunities	
22(a) – (b); 23	IFRS S2 – 14(a) – (c)	Climate-related Disclosures – Our Sustainability and Climate Strategy; Mitigation and Adaptation Measures; Low Carbon Transition and Future Opportunities	
24(a) – (b)	IFRS S2 – 16(a) – (b)	Climate-related Disclosures – Current and Anticipated Physical Climate Impacts	24(a), (b) – Further financial analysis and internal discussion still underway, we plan to disclose financial-related impact of current climate-related risks and opportunities in future reports.
25(a) – (b)	IFRS S2 – 16(c) – (d), 17, 18, 19, 20, 21	Climate-related Disclosures – Current and Anticipated Physical Climate Impacts	25(a), (b) – Further financial analysis and internal discussion still underway, we plan to disclose financial-related impact of anticipated climate-related risks and opportunities in future reports.
26(a) – (b)	IFRS S2 – 22(a) – (b)	Climate-related Disclosures – Assessing Our Climate Risks; Physical Risks	

## CLIMATE-RELATED DISCLOSURES

ESG Code	IFRS S2 Standard	Section	Remarks/Explanation
<b>Risk Management</b>			
27(a) – (c)	IFRS S2 – 25(a) – (c), 26	Climate-related Disclosures – Assessing Our Climate Risks; Annual Report 2024 Group Risk Committee Report p.191	27(b), (c) – We plan to enhance our process to identify, assess, prioritise and monitor climate-related opportunities in coming years. We are currently integrating such processes for climate-related risks through our semi-annual risk matrix exercise, and through our operations risk register.
<b>Metrics and Targets</b>			
28(a) – (c)	IFRS S2 – 29(a)(i)	Climate-related Disclosures – Low Carbon Transition and Future Opportunities; CRS Report 2024 Sustainability Data Statement	28(c) – We are currently completing our Scope 3 greenhouse gas emissions inventory and plan to disclose more details in future reports.
29(a) – (d)	IFRS S2 – 29(a)(ii) – (vi)	CRS Report 2024 Sustainability Data Statement	29(d) – We are currently completing our Scope 3 greenhouse gas emissions inventory and plan to disclose it in future reports.
30	IFRS S2 – 29(b)		30 – We are currently reviewing more detailed analysis and quantitative methodologies available in the market to disclose the percentage of our business vulnerable to transition risks.
31	IFRS S2 – 29(c)		31 – We are collecting additional data and information (e.g. financial impact, mitigation actions and residual risks) to inform our disclosure of the percentage of our businesses considered vulnerable to physical risks.
32	IFRS S2 – 29(d)		32 – We are currently reviewing more detailed analysis and quantitative methodologies available in the market to disclose the percentage of our business aligned to climate-related opportunities.
33	IFRS S2 – 29(e)		33 – We are collecting additional data to disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities in future reports.
34(a) – (b)	IFRS S2 – 29(f)		34(a), (b) – We are currently exploring the feasibility and mechanism to consider environmental cost of our activities, this provides a more balanced view when reviewing business proposals and help accelerate low carbon projects.
35	IFRS S2 – 29(g)		35 – The group’s carbon emission reduction targets and implementation of decarbonisation roadmap are included as part of the group’s balanced scorecard. We currently do not tie such performance metrics to our remuneration policies.



ESG Code	IFRS S2 Standard	Section	Remarks/Explanation
Metrics and Targets			
36	IFRS S2 – 32	CRS Report 2024 Sustainability Reporting Content Index	We are currently disclosing to other industry-based standards such as SASB.
37(a) – (b)	IFRS S2 – 33	Climate-related Disclosures – Our Sustainability and Climate Strategy; CRS Report 2024 Sustainability Data Statement	
38(a) – (d)	IFRS S2 – 34	Climate-related Disclosures – Our Sustainability and Climate Strategy; CRS Report 2024 Sustainability Data Statement	We are currently reviewing our carbon emission reduction targets as part of our decarbonisation roadmap to align with science-based methodology. We will disclose more details of the revised targets in future reports.
39	IFRS S2 – 35	Climate-related Disclosures – Low Carbon Transition and Future Opportunities	
40(a) – (e)	IFRS S2 – 36	Climate-related Disclosures – Our Sustainability and Climate Strategy; CRS Report 2024 Sustainability Data Statement	
41	IFRS S2 – 37	CRS Report 2024 Sustainability Reporting Content Index	