

Press Release
27 March 2025

CTF Life's Carbon Reduction Targets Validated by SBTi Reinforcing the Company's Commitment to Climate Action

Hong Kong – CTF Life announced today that its carbon reduction targets have been officially validated by the Science Based Targets initiative (SBTi). The result shows CTF Life's commitment to decarbonisation and provides a set of measurements by which the company's stakeholders can monitor its ongoing efforts.

In October last year, CTF Life demonstrated leadership in advancing sustainability through science-based targets aligned with the Paris Agreement and became the first company from the Banks, Diverse Financials and Insurance sector that primarily operates in the Greater Bay Area to submit a carbon reduction commitment letter to the SBTi, a corporate climate action organisation that enables businesses worldwide to play their part in combating the climate crisis.

CTF Life targets to reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 37.8% by financial year (FY) 2029 (from the FY2023 base year).

Additionally, within its Scope 3 emissions, CTF Life commits the following which covers 65% of its total investment and lending by assets:

- To reduce the GHG emissions per MWh from the electricity generation sector within its listed equity and corporate bond portfolio by 59% by FY2029 (from the FY2023 base year), and
- To have at least 44.8% of the invested value in its listed equity and corporate bond portfolio allocated to companies that set SBTi-validated targets by FY2029.

Man Kit Ip, Executive Director and Chief Executive Officer of CTF Life, said: "At CTF Life, we recognise that climate action is both a critical responsibility and a powerful opportunity to inspire and drive meaningful change. CTF Life has been collaborating closely with CTFS to align our overall Net Zero 2050 ambition; the validation of our targets underscores our unwavering commitment to reducing emissions across our operations and investment portfolio. This milestone reaffirms our dedication to building a sustainable future while creating value beyond insurance for our stakeholders."

CTF Life will implement the following strategy and actions to achieve its targets:

Decarbonisation levers for Scope 1 and 2 operational emissions:

- **Electric vehicles (EV) transition:** Replace leased/owned fleet with EVs.
- **Energy efficiency:** Explore opportunities to improve energy efficiency in the office buildings.
- **Purchase of renewable energy certificates:** With priority focuses on exploring EV transition and energy efficiency, CTF Life may also explore the sourcing and purchase of renewable energy or renewable energy certificates (REC) from local energy suppliers, or International Renewable Energy Certificate (I-RECs) from Asia or other oversea markets to reduce the residual Scope 2 operational emissions, if no options are available within the same market.

Levers for Scope 3 category 15 emissions:

- **Active ownership and engagement strategy:** Implement engagement strategy with a phased approach to facilitate real world reductions.
- **Climate financing:** Explore ESG-related products and climate financing opportunities.
- **Strategy and governance:** Establish robust governance structure to drive climate actions.
- **Policy and advocacy:** Explore opportunities for collaboration and partnership to scale impacts.

CTF Life selected these actions because the above-mentioned decarbonisation levers are expected to have the most direct impacts on the company's climate transition journey.

As of June 2024, the company had already reduced its investment portfolio carbon footprint by more than 15% compared to baseline figures from June 2023. Additionally, CTF Life has invested over HKD3.5 billion in ESG-labelled bonds and decarbonisation impact funds, primarily focused on Asia, to support the region's transition to a greener economy.

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About CTF Life

Chow Tai Fook Life Insurance Company Limited ("CTF Life") is proud of its rich, 40-year legacy in Hong Kong. CTF Life is a wholly-owned subsidiary of CTF Services Limited ("CTFS") (Hong Kong Stock Code: 659) and one of the most well-established life insurance companies in Hong Kong. As a member of Chow Tai Fook Enterprises Limited, CTF Life consistently strengthens its collaboration with the diverse conglomerate of the Cheng family ("Chow Tai Fook Group" or "the Group") to support customers and their loved ones in navigating life's journey with personalised planning solutions, lifelong protection and diverse lifestyle experiences. By leveraging the Group's robust financial strength and strategic investments across the globe, CTF Life aspires to become a leading insurance company in Asia while continuously creating value beyond insurance.

Media enquiries

CTF Life

Branding & Communications

Deronie Tan

+852 2591 8504

deronie.tan@ctflife.com.hk

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