

Stakeholders Key Concerns or Interests Table 2017

TABLE OF CONTENTS

Lenders.....	2
Investors / Shareholders	3
Governments & Regulators	3
Industry & Professional Organisations	4
Residential Customers.....	6
Commercial & Industrial Customers	7
Electricity Boards & Grid Companies	7
Employees.....	8
Suppliers & Contractors.....	8
Communities, NGOs & Media.....	9
Academia & Schools.....	10

Lenders

Region/Level	Key Concerns or Interests in 2017	CLP's Specific Actions in 2017
Group Level or General	<ul style="list-style-type: none"> Business sustainability and financial performance of overseas businesses CLP Group's sustainable investment and financing strategies 	<ul style="list-style-type: none"> Exercised a high level of discipline in managing our investments and finances, and demonstrated strong competence in managing the operating and financial performance of CLP's overseas businesses Further enhancement of financial strength resulted in favourable credit rating actions taken by Standard & Poor's in 2017 for CLP Holdings (to A from A-), CLP Power Hong Kong (to A+ from A), CAPCO (AA-, being the first-time rating) and EnergyAustralia (to BBB+ from BBB). Rating outlooks are all stable Established CLP Climate Action Finance Framework ("CAFF") in 2017 to facilitate the arrangement of socially responsible and sustainable financing (e.g. green/new energy bonds and energy transition/emission reduction bonds)
Hong Kong	<ul style="list-style-type: none"> Implications of new Scheme of Control (SoC) Agreement Financing strategy of SoC business 	<ul style="list-style-type: none"> Explained that the new SoC Agreement provides a clear and certain regulatory framework for the development of the electricity industry and enables CLP to plan ahead and make measured, sensible investments to meet the long-term development needs of Hong Kong CAPCO successfully issued US\$500 million (HK\$3.9 billion) Energy Transition Bond under the CAFF to fund the construction of 550MW Combined-Cycle Gas Turbine. CAPCO established its own Medium Term Note Programme in June 2017 which enables diversification of funding source from bank to bond market including ESG (Environmental, Social and Governance) investors
Mainland China	<ul style="list-style-type: none"> Tightening of liquidity for financing of renewable energy investments Uncertainty in timing of receipt of government subsidy for renewable projects 	<ul style="list-style-type: none"> Diversified funding sources by tapping into offshore RMB bank loan market in Hong Kong in recent years to fund the construction and early period operation of our wholly-owned renewable energy projects in Mainland China Cultivated and maintained long-term relationships with key lenders in Mainland China Utilised surplus cash within Mainland China to fund interim cash requirements for particular projects for the greater benefit of the Group

Investors / Shareholders

Region/Level	Key Concerns or Interests in 2017	CLP's Specific Actions in 2017
General	<ul style="list-style-type: none"> The New Scheme of Control Agreement; construction of the new gas-fired generation unit; approval of the floating offshore LNG Terminal in Hong Kong Business opportunities and operational performance in Mainland China, India and Australia Dividends and managing our financial and debt position Market reform in the Mainland China and its direction for energy transition Impact and opportunities associated with changes in the energy mix and regulation in the Australian market 	<ul style="list-style-type: none"> Produced a range of shareholder communication materials including Analyst Presentation, Investor Presentation and Media Release as well as this Sustainability Report and Annual Report to inform shareholders on these issues Organised direct engagement activities including: Annual General Meeting; investor meetings and site visits; analyst briefings; and visits to our facilities through our Shareholders' Visit Programme where the shareholders can raise questions to us directly
ESG-specific	<ul style="list-style-type: none"> CLP's Climate Vision 2050 and our investment strategy to address climate change CLP's Climate Action Finance Framework for socially responsible and sustainable financing CLP's investment in low carbon generation including nuclear and renewables Potential business opportunities brought in from the Hong Kong Government's Climate Action Plan 2030+ 	<ul style="list-style-type: none"> Incorporated Sustainability Principles into all our business decisions on investing Produced the Sustainability Report Included a specific section on environment, social and governance (ESG) in the Investor Presentation Organised ESG breakfast meeting Replied to ESG questionnaires and surveys Responded to disclosure requests that support our inclusion in sustainability stock indices

Governments & Regulators

Region/Level	Key Concerns or Interests in 2017	CLP's Specific Actions in 2017
Hong Kong	<ul style="list-style-type: none"> Tariff review for 2018 Post-2018 regulatory arrangements Technical Memorandum (TM) that sets emissions caps for 2022 and thereafter Our response to the Hong Kong's Climate Action Plan 2030+ issued by the Government in January 2017 Resilience of our electricity supply systems to extreme climate conditions, e.g. super typhoons, severe floods 	<ul style="list-style-type: none"> Engaged and maintained dialogue with the relevant government departments, legislators and political parties on the tariff adjustment Signed a new Scheme of Control Agreement (SCA) with the Hong Kong Government which will run until 31 December 2033 Completed the TM review that sets emissions caps for 2022 and thereafter with the Environmental Protection Department Construction of the new CCGT at Black Point Power Station in good progress. This will become fully operational in 2020 and will significantly increase the share of gas in CLP's electricity supply to close to 50%. Submitted the Development Plan covering the period October 2018 – December 2023 to the Government, supporting the further decarbonisation of our electricity supply.

		<ul style="list-style-type: none"> Completed the reinforcement project on the pylons of 400kV overhead lines to better withstand super typhoons, installed flood damage mitigation and alarm systems at vulnerable substations, continued strengthening vegetation management capability, and conducted post-typhoon reviews and regular drills.
Mainland China	<ul style="list-style-type: none"> Safety and reliability Emergency readiness 	<ul style="list-style-type: none"> Exchanged regularly with authorities to build support and increase understanding of CLP's safety culture Actively monitoring policy and market development related to power sector Kept close working relationship with regulatory authorities including National Development and Reform Commission (NDRC), National Energy Administration (NEA), as well as local regulatory authorities where CLP has presence (e.g. Provincial Government, Local Energy Bureau, and Industry and Information Committee of Guangxi Zhuang Autonomous Region)
India	<ul style="list-style-type: none"> National Action Plan on Climate Change and business opportunities or challenges arising out of it Stakeholder consultations by State electricity regulator related to Tariff, Renewable Energy and Tariff etc. 	<ul style="list-style-type: none"> Actively tracking market and policy development related to renewable energy and transmission bids Participated in stakeholder consultation of centre and state Government
Australia	<ul style="list-style-type: none"> The national climate and energy policy and associated frameworks, including, but not limited to, the Renewable Energy Target (RET) and the proposed National Energy Guarantee Balancing reliability, affordability and lowering emissions of power supplies State-based renewables energy policies 	<ul style="list-style-type: none"> All concerns/issues are managed through contributing to expert reviews at Australian Parliamentary committees and forums, and actively participating in industry groups EnergyAustralia represented on the Board and working groups of the Australian Energy Council (AEC) and Business Council of Australia (BCA) EnergyAustralia representative appointed chair of the new Market Directorate within the Clean Energy Council (CEC)

Industry & Professional Organisations

Region/Level	Key Concerns or Interests in 2017	CLP's Specific Actions in 2017
Group Level or General	<ul style="list-style-type: none"> Climate change Reliability of power supply Impact of extreme weather Emissions trading Transparency and reporting 	<ul style="list-style-type: none"> Engaged with the: World Business Council for Sustainable Development (WBCSD), World Energy Council (WEC), MIT Joint Program on the Science and Policy of Global Change (MITJIP), International Electric Research Exchange (IERE), Electric Power Research Institute (EPRI), International Emissions Trading Association (IETA), International Integrated Reporting Council (IIRC) and Global Reporting Initiative (GRI)

Hong Kong	<ul style="list-style-type: none"> • Supply reliability • Future fuel mix to address climate change and air quality issues • Future source of gas supplies • Conclusion of negotiations for the new Scheme of Control Agreement (SCA) and preparation for implementation • Scope for and implementation of the new SCA Community Energy Saving Fund and New Eco-building Fund • Development of renewable energy and the feed-in-tariff programme • Demand-side management and energy saving • Development of smart grid and smart city • Nurturing young engineers • Growth of electric vehicles and development of relevant supporting facilities 	<ul style="list-style-type: none"> • Submitted response to Government's Public Engagement on Air Quality Objectives Review • Held regular meetings and briefings with CLP's professionals and experts to explain CLP projects • Participated, presented, spoke and / or officiated at seminars, classes and events • Arranged visits to CLP's facilities to share CLP's efforts in enhancing supply reliability, cost control and environmental performance and explored opportunities for collaboration • Engaged with professional organisations such as The Hong Kong Institution of Engineers (HKIE) • Conducted a large scale pilot trial for Smart Metering in Kowloon and the New Territories • Participated in the government work group on smart city development • Promoted the CLP Power Academy to government, industry associations, professionals and the education sector • Continued to develop electric vehicle charging stations in public areas, and promoted and developed charging stations for private usage through Smart Charge joint venture
Mainland China	<ul style="list-style-type: none"> • Power industry market development • Nuclear energy safety and development 	<ul style="list-style-type: none"> • CLP joined the China Electricity Council (CEC) in 1999 and the Managing Director of our China Business Unit is a member of the Standing Committee of this organisation. Actively involved in the discussions of key China power sector initiatives including the Reliability Index, Power Supply-Demand forecast and China Power Sector reform. • Hong Kong Nuclear Investment Company (HKNIC) joined the China Nuclear Energy Associate (CNEA) in 2007 and is a standing member of the Governing Council of CNEA. In 2017 we participated in CNEA's committee meetings and Annual Meeting. We also attended an industry forum on public communication organised by CNEA and made a presentation. • Engaged with the Hong Kong Nuclear Society and the Hong Kong Institution of Engineers' Nuclear Division • Engaged with the Chinese Society for Electrical Engineering (CSEE). In March 2017, a CLP delegation led by the Managing Director of our China Business Unit visited CSEE headquarters in Beijing. In May 2017, a CSEE delegation led by President Zheng Baosen paid a visit to the CLP Head Office. Both sides have expressed willingness to cooperate on technological exchange and build an academic platform for CLP engineers.
India	<ul style="list-style-type: none"> • Industry-wide challenges / opportunities • Knowledge sharing and collaboration 	<ul style="list-style-type: none"> • Advocated for non-discriminatory open access and formation of National Energy Policy • Engaged with Indian Wind Power Association (IWPA) and Wind Independent Power Producers association (WIPPA) on matters related to policy and regulatory development for wind • Joined Distributed Solar Power Association (DSPA) and Indian Energy Storage alliance (IESA)

Australia	<ul style="list-style-type: none"> Competitive energy market issues Solar installation and energy storage 	<ul style="list-style-type: none"> Managed all concerns/issues through contributing to expert reviews from Government, regulators, and industry groups EnergyAustralia represented on the Board and working groups of the Australian Energy Council (AEC) and Business Council of Australia (BCA) EnergyAustralia representative appointed chair of the new Market Directorate within the Clean Energy Council (CEC)
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Residential Customers

Region/Level	Key Concerns or Interests in 2017	CLP's Specific Actions in 2017
Hong Kong	<ul style="list-style-type: none"> Tariff adjustment Energy efficiency and conservation Customer experience 	<ul style="list-style-type: none"> Tariff adjustment held at 1.9%, close to the CPI figure for December 2017 Provided bill inserts and bill messages as well as FAQs on CLP website to explain tariff change Provided energy saving tips on CLP's Website, digital and social media channels; Provided Eco Power 360 and Home Energy Report to help customers use electricity wisely; promoted Smart Energy Programme to educate customers to use electricity wisely; and promoted paperless Green Bill Provide CLP Eco rewards scheme as an additional e-Channel to enhance and sustain customer experience and engagement; launched brand new CLP HK website and Mobile App, including mobile payment; transformed Yuen Long Customer Service Centre into new Smart Energy Experience Centre, to showcase the latest smart home & enterprise systems and interactive technological applications; and launched CLP Eco Living Facebook Fan Page with enriched content to inspire customers to enjoy a fun, smart and green lifestyle
Australia	<ul style="list-style-type: none"> "Bill shock" and energy prices Billing and debt collection Customer service quality Rooftop solar and feed-in tariffs General lack of trust in energy retailers 	<ul style="list-style-type: none"> Improved assistance to customers experiencing hardship Customer service improvements included increased hours for dedicated call centres to assist customers with queries Conducted market and focus-group research on consumer needs Used Net Promoter Score programme to assess customer satisfaction Kept a watching brief on changes to solar and solar feed-in tariffs Monitored social media to gauge customers' views Launched a Financial Inclusion Action Plan to ensure our processes do not financially exclude customers

Commercial & Industrial Customers

Region/Level	Key Concerns or Interests in 2017	CLP's Specific Actions in 2017
Hong Kong	<ul style="list-style-type: none"> Tariff adjustment Energy efficiency and conservation Customer experience 	<ul style="list-style-type: none"> Tariff adjustment held at 1.9%, close to the CPI figure for December 2017. Communicated with key customers and stakeholders through dedicated Account Managers Provided tariff impact analysis information to large consumption customers; provided bill inserts and bill messages to SMEs and developed FAQs on website Conducted energy audits and provided power quality improvement services for commercial and industrial customers; provided energy saving solutions e.g. Meter Online, Energy Billboard; launched a project Smart Enterprise (an affordable IoT energy monitoring solution) by using simple IoT devices to help customers save energy
Australia	<ul style="list-style-type: none"> "Bill shock" and energy prices Misalignment of systems and processes with industry best practice customer experience Agility of business to thrive in a rapidly changing landscape Growing preference for energy brokers as the intermediary resulting in increased churn 	<ul style="list-style-type: none"> Assisted customers to understand and manage their energy usage Renewed focus and investment in our capability to serve commercial and industrial customers Interacted with and leveraged Next Generation products and services Renewed focus on customer retention Identified and developed alternative/ proactive channels to market
Mainland China	<ul style="list-style-type: none"> Supply reliability Tariff management Tariff competitiveness 	<ul style="list-style-type: none"> Entered into a medium term contract with a high-usage industry customer Various short term contracts with commercial & industrial customers Maintained tariff competitiveness through efficient operations
India	<ul style="list-style-type: none"> Entry into Corporate Power Purchase Agreement (PPA) under rooftop and Open Access arrangements with industrial and commercial consumers for renewable energy 	<ul style="list-style-type: none"> Carried out engagements with facilitation agents / electricity traders / partners to identify potential customers for Corporate PPA Started marketing of these PPAs to many leading companies

Electricity Boards & Grid Companies

Region/Level	Key Concerns or Interests in 2017	CLP's Specific Actions in 2017
Mainland China	<ul style="list-style-type: none"> Ability to fulfil dispatch obligations and to meet offtake agreements 	<ul style="list-style-type: none"> Communicated regularly with grid companies on generation plans and dispatch requirements Participated in the Guangxi Electricity Exchange as one of its shareholders and the Guangxi Electricity Market Supervisory Council as one of its members
India	<ul style="list-style-type: none"> Management of existing PPAs 	<ul style="list-style-type: none"> Interacted periodically with these customers and relevant government authorities on operational, commercial and regulatory aspects / issues related to our PPAs

Australia	<ul style="list-style-type: none"> • Network tariff reform for the electricity and mass market • Opening up of metering competition 	<ul style="list-style-type: none"> • Participated in regulatory and industry discussions with distributors and retailers; and began to increase engagement at the executive management level between EA and the distributors • Completed Power of Choice projects to establish metering function to meet regulatory requirements
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Employees

Region/Level	Key Concerns or Interests in 2017	CLP's Specific Actions in 2017
Group level or General	<ul style="list-style-type: none"> • Competitive remuneration and benefits • Career development opportunities • Gender diversity and equal opportunity 	<ul style="list-style-type: none"> • Conducted regular independent review of market remuneration surveys and benefits, and review of family-friendly policies and practices • Enhanced the sustainability of pension fund in Hong Kong • Conducted regular review of succession planning; optimised internal promotion; continued investment in training and development; and arranged staff rotation • Continued female mentoring programme with universities; organised groupwide network for female engineers • Reviewed the family-friendly leave policies in Hong Kong • Carried out review on gender pay equity
Hong Kong	<ul style="list-style-type: none"> • Concerns on the safety performance 	<ul style="list-style-type: none"> • Established three teams to enhance safety performance for employees and suppliers/contractors in Hong Kong; including an external cold eye review team, an improvement task force and a safety culture change team

Suppliers & Contractors

Region/Level	Key Concerns or Interests in 2017	CLP's Specific Actions in 2017
Group level or General	<ul style="list-style-type: none"> • Responsible procurement practices and supply chain management • Demonstration of CLP's commitments to continuous improvement and adoption of best practices 	<ul style="list-style-type: none"> • Included compliance with CLP's Responsible Procurement Policy Statement (RePPS) in the supplier/contractor assessment and selection process • Conducted regular meetings with critical suppliers to review performance, drive continuous improvement in product and service delivery and plan for future developments
Hong Kong	<ul style="list-style-type: none"> • Concerns on the safety performance 	<ul style="list-style-type: none"> • Established three teams to enhance safety performance for employees and suppliers/contractors in Hong Kong; including an external cold eye review team, an improvement task force and a safety culture change team

Communities, NGOs & Media

Region/Level	Key Concerns or Interests in 2017	CLP's Specific Actions in 2017
Hong Kong	<ul style="list-style-type: none"> • Conclusion of new Scheme of Control Agreement (SCA) and preparation for implementation • Future fuel mix to address climate change and air quality • Supply reliability particularly in strong typhoons • Progress of additional gas-fired generation capacity at the Black Point Power Station • Proposed Hong Kong Offshore LNG Terminal • Energy poverty especially for residents living in sub-divided flats 	<ul style="list-style-type: none"> • Extensive engagement with the community after signature of new SCA • Engaged and informed community stakeholders through briefings, communication material and site visits to CLP's facilities to explain the need and development progress of various key infrastructure • Careful preparation demonstrated CLP's outstanding performance during severe Typhoon Hato, compared to neighbouring Macau, which lost all electricity supply • Conducted discussion workshops with key customers to review ways in which CLP can continuously improve its efforts in enhancing supply reliability, cost control and environmental performance • Continued strategic engagement with NGOs and local community organisations for various community programmes and volunteer services and offered practical support to those in need
Mainland China	<ul style="list-style-type: none"> • Impact of CLP business on local communities • Benefit of CLP's community investment programmes to local communities • CLP's business development in China 	<ul style="list-style-type: none"> • Implemented CLP Community Investment programmes • Communicated with Mainland media outlets on CLP's history, business update and brand
India	<ul style="list-style-type: none"> • Primary healthcare services in remote villages near CLP's facilities • Empowerment of women • Youth engagement 	<ul style="list-style-type: none"> • Provided primary healthcare services through Mobile Medical Van • Constructed 50 bedded hospital and handed over to the local administration • Supported women led micro-credit societies • Supported local sports like wrestling and basketball
Australia	<ul style="list-style-type: none"> • Customers' capacity to pay energy bills • EA in the Top 10 polluters / "Dirty Three" • Community engagement and communication; social license to proceed with site projects, for example, the Energy Recovery project at Mt Piper • Longevity of power generator sites 	<ul style="list-style-type: none"> • Continued strategic engagement with Social Service groups to better inform our hardship programme • Continued dialogue with green groups to communicate EA's approach to environmental management • Delivered community grant programme in all communities close to Energy Australia generation sites • Proactively engaged media

Academia & Schools

Region/Level	Key Concerns or Interests in 2017	CLP's Specific Actions in 2017
Hong Kong	<ul style="list-style-type: none"> • Career development in engineering • Development of STEM education • Energy efficiency and conservation • Progress of additional gas-fired generation capacity at Black Point Power Station 	<ul style="list-style-type: none"> • Launched CLP Power Academy in October 2017 • Collaborated with NGOs and professional bodies in public education programmes for kindergarten, primary, secondary and university students • Engaged and informed key stakeholders through background briefings and site visits to CLP's facilities • Promoted an educational package to secondary schools by installing IoT devices to illustrate the use of technology to drive energy saving • Expanded the Engineer in School programme to 50 secondary schools in the 2017-2018 academic year to inspire more students considering a career in engineering • Engaged and informed key stakeholders through lectures, seminars and site visits to CLP's facilities
Mainland China	<ul style="list-style-type: none"> • Energy conservation and Mainland China's climate change commitment • Improvement in education facilities • Poverty relief for students • Career development in engineering and management 	<ul style="list-style-type: none"> • Provided training to students through the CLP Young Power Programme • Sponsored schools to upgrade their facilities • Made donations to students through the Support-a-student Programme • Education to students on environmental issues through Community Investment activities • Recruited Graduate Trainees from a number of colleges
India	<ul style="list-style-type: none"> • Malnutrition in young children in local communities • Improvement in education facilities • Career development opportunities 	<ul style="list-style-type: none"> • Provided mid-day meals in schools • Strengthened infrastructure of local school for better facilities • Supported students from economically disadvantaged families with scholarship/mentoring
Australia	<ul style="list-style-type: none"> • Concerns about the electricity generator industry in their community. • Career development of students in the changing local job market 	<ul style="list-style-type: none"> • Informed key community stakeholders through regular community liaison meetings. • Social Investment programme's community grants and partnerships have a focus on education and social inclusion