

2021

Sustainability Report

Stock Code: 00002













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Overview

CLP provides electricity services which play an essential part in modern life. It also creates jobs and supports the economy through its investment in infrastructure, operations and its supply chain.

By making its electricity generation cleaner, CLP can create broader benefits to communities and their living environments through, for example, better air quality and reduced use of resources.

One of CLP's major contributing factors to its greenhouse gas (GHG) footprint is emissions from electricity generation using fossil fuels. CLP's mission is to be a responsible energy provider, and the communities in which it operates rightly expect the Company to play an active role in addressing the climate emergency. Such an expectation prevails in CLP's Hong Kong home market, where electricity generation accounts for almost two-thirds of the city's GHG emissions.

To that end, and in addition to decarbonising its electricity generation, CLP offers a range of new services and other supporting programmes with an objective to improve energy efficiency. The Company also promotes energy conservation to the public, participates in industry organisations and contributes to informed discussions on the transition to a low carbon economy.

Key stakeholders

· Communities, Government and regulators, Customers

Related material topics

- · Shaping and executing the transition to net-zero
- · Acting as a trusted partner in the clean energy transition

Stakeholder Engagement Framework

Management approach

CLP is committed to open, transparent and timely communication with its stakeholders. This is delivered through the CLP Stakeholder Engagement Framework.

GRI reference: 2-16, 2-29, 207-3, 413-1

Strategies and procedures

CLP's Stakeholder Engagement Framework provides open and transparent channels for stakeholder input, and a review and consideration process where concerns about CLP's business are responded to in a timely manner.

While each business unit develops its own project-specific engagement plan depending on their needs, in developing the plan the below framework is followed:

- 1. Aligning engagement objectives with business objectives
- 2. Mapping issues and concerns
- 3. **Identifying relevant stakeholders:** CLP's business activities involve a diverse range of stakeholders. In addition to regular communications with stakeholders (such as email updates, information kits, and video

stories), key stakeholder groups for each project are identified and prioritised based on issues mapping and how the stakeholders will be impacted, and their influence on the success of the business.

- 4. **Developing a communications and engagement plan:**CLP is using a wide range of easily accessible public engagement channels both formal and informal, such as surveys, focus groups, briefings, visits, events, roadshows and online channels, to enable it to receive concerns, interest or feedback at any time during the year. Drawing on past experiences, the channels for each project are selected based on the nature of the projects, and the effective means to reach the identified stakeholders.
- 5. Conducting engagement activities
- 6. **Capturing feedback and reporting on outcomes:**To address stakeholders' views and concerns and identify areas for improvement in a timely manner, the effectiveness of CLP's approach to stakeholder.

the effectiveness of CLP's approach to stakeholder engagement is captured through a number of measures. They include stakeholder feedback, outcomes following engagement, media monitoring and analysis, brand perception ratings, and recognition and awards.



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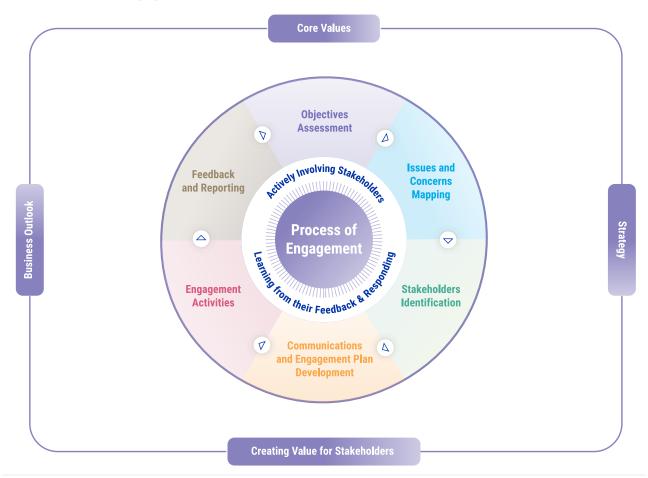
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CLP's Stakeholder Engagement Framework



Year in review

CLP engages in active dialogue with different stakeholders. The key concerns of stakeholders in 2021 are presented in this section.

GRI reference: 2-12, 2-25, 2-29

As one of the largest investor-owned power businesses in Asia serving over 80% of Hong Kong's population and operating in other jurisdictions, CLP has a diverse range of stakeholders to serve.

The Company is committed to responding to their concerns about the business in a timely manner. These concerns vary

depending on location and context and therefore require different actions or responses. General complaints about the Company are typically handled by the customer relations team, with the aim of resolving the issues at hand.

The following tables summarise the key stakeholders, their key concerns during the year, and how they were engaged. As with the previous year, some of the in-person communication channels moved online in 2021 due to the COVID-19 pandemic.



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Lenders, investors and shareholders

| Key Concerns / Interests in 2021 | Engagement Channels | Relevant sections for response details |
|---|---|---|
| · Decarbonisation actions under the updated CLP | · Annual General Meeting | Financial material topics |
| Climate Vision 2050 | · Annual and Interim Results Analyst Briefings | are covered in: |
| Progress on energy transition across | and webcasts | · 2021 CLP |
| the portfolio | · CLP Group website | Annual Report |
| Potential adoption of new technology to facilitate decarbonisation | · CLP Investor Relations App | 2021 Climate-related Disclosures Report |
| Regional business opportunities | · Annual and Interim Reports | · Climate Vision 2050: |
| and development | · Annual Sustainability Report | A Net-Zero Future |
| · Impact of COVID-19 on liquidity, financing | · Climate Action Finance Report | |
| strategies and risk management | · Announcements, circulars, presentations and | |
| · Dividend policy and dividend prospects | media releases | |
| CLP's business sustainability, financial and operational strategies and performance | Direct engagement in the form of meetings, roadshows, response to information requests, letters and correspondence for ESC. | |
| Capital allocation and business opportunities across different regions | requests, letters and correspondence for ESG- related matters | |
| Cash flow, financial and debt management, capital structure | Outreach engagement following release of CLP's updated Climate Vision 2050 ahead of COP26 | |

Governments and regulators

· Board refreshment and diversity

| Key Concerns / Interests in 2021 | Engagement Channels | Relevant sections for response details |
|---|---|---|
| Hong Kong – Scheme of Control Agreement, Development Plan implementation, tariff review, auditing review and long-term decarbonisation strategy Mainland China – Carbon emissions, safety, reliability and emergency readiness India – National Action Plan on Climate Change, power purchase agreements (PPA) and tariffs Australia – Reliability, affordability, system security, support for customers in financial hardship, market design, carbon emissions and integration of renewable energy, modern slavery in operations and supply chains | Regular working meetings Regular performance reporting Written responses to public consultations and direct liaison with governments, regulators and relevant parties EnergyAustralia Modern Slavery Statement EnergyAustralia Energy Charter Disclosures | Safety Asset management Customers Supply chain Refer to the CLP Information Kit for responses relating to CLP Power Hong Kong |

Suppliers and contractors

| The second secon | | |
|--|--|--|
| Key Concerns / Interests in 2021 | Engagement Channels | Relevant sections for response details |
| · Contractors' safety | and engagements (from operational to | - Safety |
| Temporary manpower payments | senior management) | Supply chain |
| | Safety workshops to engage contractors to uplift their safety awareness and capability | |
| | · Periodical supplier performance evaluations | |



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Employees

| Key Concerns / Interests in 2021 | Engagement Channels | Relevant sections for response details |
|--|--|--|
| Safety performance Competitive remuneration and benefits Career development opportunities Gender diversity and equal opportunity Employees' health and wellbeing, in particular during the COVID-19 pandemic | Employee engagement and safety culture surveys Employee feedback channels (via online forms, suggestion boxes, townhall meetings, etc.) Regular management communications and roadshows Two-way consultations (e.g. joint consultative committees in Hong Kong) Training and development programmes, including professional development and access to engineering qualifications Employee newsletters and broadcasts Company intranet portal, internal webinars and other communication channels facilitating cross-regional cooperation Discussion with trade union representatives in locations where collective bargaining power is recognised | response details People Safety |
| | Employee Assistance Programmes including counselling services and workshops | |

Residential, commercial and industrial customers, electricity boards, grid companies

| Key Concerns / Interests in 2021 | Engagement Channels | Relevant sections for response details | | |
|--|---|---|--|--|
| Energy prices, affordability, reliability and availability | Working groups, e.g. Customer Consultative Group, local customer advisory committees, | 2021 Climate-related Disclosures Report | | |
| · Tariff adjustment, management | SME consultative groups and industry groups | Customers | | |
| and competitiveness | · Customer / partner forums and webinars | | | |
| Energy efficiency, conservation and demand | · Visits to assets | | | |
| side management | · Customer satisfaction surveys and | | | |
| · Customer experience | feedback forms | | | |
| · Customer privacy | · Customer Service Centres and Customer | | | |
| Renewable energy offerings to customers | Interaction Centre | | | |
| India – Market entry and management of | · Online service portals | | | |
| corporate PPAs for renewable energy | · Direct / personalised communications through | | | |
| · Australia – Payment support to customers due | account managers | | | |
| to the impact of COVID-19 lockdowns | · Participation in government schemes | | | |



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Community groups, legislators, NGOs, industry and professional organisations, academia

| ŀ | Cey Concerns / Interests in 2021 | E | ingagement Channels | | Relevant sections for response details |
|---|--|---|---|---|--|
| | Employment opportunities and career development, particularly for young people | | Working committees, advisory committees, panels and meetings | | 2021 Climate-related Disclosures Report |
| ٠ | Assistance to people in need during the economic downturn and COVID-19 | | Seminars, lectures, workshops and online classes | ٠ | Environment and climate change |
| | Community engagement and investment | | Public / community events and programmes, | • | Community |
| | programmes related to education, empowerment of women, healthcare access, | | including the CLP Power Distribution Box Beautification Project, and partnerships on | | Asset management |
| | poverty alleviation, social inclusion, diversity | | various initiatives | • | Customers |
| | and eliminating energy poverty | | Community investment programmes | • | People |
| | Energy efficiency and conservation | | Awards and scholarships | | |
| • | Climate change: carbon neutrality by 2050 and renewable energy development | | Promotion through mass media and social media, including educational videos | | |
| ٠ | Progress on key new development projects and initiatives | | One-on-one meetings | | |
| | Hong Kong – Future fuel mix, supply reliability, | | Community perception surveys | | |
| | fuel cost and tariff level, responses to social incidents and public sentiment, popularisation of electric vehicles, development of the green economy, and CLP's role as a corporate citizen | ٠ | Virtual events | | |
| | Mainland China – Business development and the associated impacts on local communities and carbon emissions | | | | |
| • | Australia – Contribution to the local economy, the environmental impact of operations, future fuel mix and supply reliability, and the lifespan of power stations | | | | |



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Engaging stakeholders on Hong Kong's offshore wind future

CLP Power is considering the development of Hong Kong's first offshore wind farm, further reducing the carbon intensity of CLP's electricity generation.

Stakeholder engagement is important for major projects to help CLP solicit stakeholder support and understand their concerns.

For the potential Hong Kong Offshore Wind Farm (HKOWF) infrastructure project, CLP sought to inform the Hong Kong public on the potential and feasibility of developing offshore wind energy through a variety of engagement activities. Coverage of the project and technological advancements in wind power appeared in local dailies and online news portals. Educational animations with

information on the project were released on social media platforms.

As part of the project's environmental permit requirements, CLP Power formed a stakeholder liaison group of concerned parties, including representatives from environmental groups, academics, fisheries, NGOs, and local communities, who convene on a regular basis to exchange opinions on different aspects of the project.

CLP Power has been exploring the HKOWF project since 2009. Recent technological advances have increased the project's viability. If approved by government, construction is expected to commence in the middle of this decade.





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Public policy

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CLP is committed to supporting the long-term development of the communities it serves, and contributing to the development of sound government energy policies and laws that balance social, economic and environmental needs.

GRI reference: 2-28, 415-1

CLP's policy is to remain politically neutral and to avoid making political contributions. The Company participates in a range of industry and professional bodies to discuss the major issues deemed important to the energy sector's ongoing viability and success, in particular climate change and energy.

Download CLP's Policy on Making Political Contributions



Joining an organisation as a member is reviewed by the respective Public Affairs teams based on business objectives and engagement purposes. All membership proposals are subject to the final approval of senior management of the Group or the business unit.

Year in review

For public policy developments which apply to the electric utility industry, CLP develops carefully considered positions and seeks to provide input to support government's decisionmaking process.

GRI reference: 2-28, 201-4, 415-1

By bringing its industry expertise to the table, CLP can add value to the discussion on how best to structure rules for the energy industry going forward, as both technology and public demand evolves.

CLP's responses to major public policy consultations – in addition to the Group-wide positions on critical issues such as climate change - are published and accessible on the Company's websites. For example:

- CLP Power's pledge to fully support the Hong Kong Government's "Hong Kong's Climate Action Plan 2050" announced in 2021. The plan outlines long- and mediumterm net-zero carbon emission targets and new measures for Hong Kong's long-term decarbonisation strategy. This will help Hong Kong achieve carbon neutrality before 2050.
- EnergyAustralia participated in a range of reform processes run by State bodies and the national market institutions that relate to a number of reforms related to the clean energy transition, including the creation of renewable energy zones and essential energy system services.

EnergyAustralia has been the beneficiary of Government largesse as part of Tallawarra B and Yallourn:

- · The Company approached the Victorian Government with the plan to retire Yallourn and transition to cleaner energy in a way that does not leave the workforce or the community behind. The plan involves Yallourn power station retiring in mid-2028, a multimillion-dollar package to support Yallourn workforce, and a commitment to build Australia's first four-hour utility-scale battery of 350MW capacity by 2026 in the Latrobe Valley.
- EnergyAustralia is expanding its existing Tallawarra power station in the Illawarra region, following an agreement reached (A\$83 million) with the Government of New South Wales. Through the agreement, Tallawarra B will become Australia's first net-zero emissions hydrogen and gas capable power plant, with Scope 1 greenhouse gas emissions from the power station offset over its operational life.

None of CLP's other businesses receive any significant government financial assistance.

CLP also supports and actively participates in a range of organisations to enable the Company to keep abreast of different stakeholders' views, navigate policy uncertainties and shape informed policy making.



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The table below outlines the total amount CLP has contributed to organisations which influences public policy. The contribution is made through paying membership fees, making donations, providing sponsorships and giving input

to policy position papers. The large increase in 2021 was due to significant contributions to COVID-19 relief programmes in India during the year.

Contributions to different types of organisations (HK\$M)

| Types of organisation (HK\$M) | 2021 | 2020 | 2019 |
|--|-------|------|------|
| Lobbying, interest representation or similar | 0 | 0 | 0 |
| Local, regional or national political campaigns, organisations or candidates | 0 | 0 | 0 |
| Trade associations or tax-exempt groups (e.g. think tanks) ¹ | 14.12 | 8.90 | 8.04 |
| Others (e.g. spending related to ballot measures or referendums) | 0 | 0 | 0 |

¹ Includes contributions to professional organisations that seek to influence policies in the form of membership, donation or sponsorship.

As part of CLP's ongoing engagements, the Company's participation focuses in organisations active in climate change and broader energy market policies.

Following is a list of organisations to which CLP devotes significant resources through membership, sponsorship

and other contributions, including active participation by senior management. CLP has contributed annually over HK\$250,000, in cash or equivalent, over the last three years to the organisations listed below (in alphabetical order).

| Organisation | Description of organisation | CLP contributions and engagement |
|---|---|--|
| Australian Energy Council (AEC) | The AEC represents 20 major electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. | EnergyAustralia's Managing Director is Chair of the AEC. EnergyAustralia is also an active participant in its various working groups which cover a range of competitive energy market issues. These include reviews of wholesale market operation, competitive retail markets and emissions reduction policies. |
| Business Council of Australia (BCA) | The BCA is a CEO-led industry association, representing more than 100 of Australia's largest businesses. It supports transitioning to a more carbon efficient economy with a goal of net-zero emissions by 2050. | The BCA advocates for a national, bipartisan energy and climate change framework that can deliver against reliability, affordability and sustainability objectives, consistent with EnergyAustralia's position. |
| Business Environment Council (BEC) | An independent, charitable organisation established by the business sector in Hong Kong, the BEC promotes environmental excellence by advocating for the uptake of clean technologies and practices. | The CLP CEO has been a Director of BEC since 2012 and is currently Chairman of its Board of Directors. CLP actively participates in or sponsors events, public consultations and working groups organised by BEC. It is also a signatory of the BEC Low Carbon Charter and the Power Up Coalition. |
| Confederation of Indian Industry (CII) | The CII is a not-for-profit and industry-led organisation. It works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes. It works closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry. | Apraava Energy has been a member of CII for more than a decade. Its Managing Director is the Co-Chairman of CII National Committee on Power, and its COO is currently a member of the India CEO Forum for Clean Air, which is under the CII National Initiative: Cleaner Air Better Life. Through these initiatives, Apraava Energy plays an active role in representing the power sector in India on issues that concerns them. |



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| Organisation | Description of organisation | CLP contributions and engagement |
|--|--|--|
| Energy Transitions Commission (ETC) | The ETC supports energy system transition by showing what it will take to create credible, accelerating transitions towards universal, clean energy systems across the world. It aims to inform decision-makers in both the public and private sectors and support leaders to undertake more rapid deployment of low and zero-carbon solutions. | Having joined in August 2018, the CLP CEO is one of a diverse group of leaders from the public, private and NGO sectors in the ETC. |
| Free Electrons | An accelerator programme for electric utilities, Free Electrons enables startups to work closely with utilities to develop digital solutions to overcome challenges arising from the increase of renewable energy and decentralisation of energy systems. | CLP first participated in Free Electrons during 2018, and has identified collaboration opportunities through the programme. In 2021, CLP hosted a sprint module in a virtual format amid international travel restrictions. The 2021 programme has attracted applications from close to 800 start-up companies around the world. |
| World Business Council for Sustainable Development (WBCSD) | A global, CEO-led organisation of over 200 businesses, WBCSD is working to accelerate the transition to a sustainable world. It targets the realisation of its Sustainable Development Goals through six work programmes including Circular Economy, Cities & Mobility, Climate & Energy, Food & Nature, People & Society, and Redefining Value. | CLP is participating in various initiatives, such as through Climate & Energy Program Board membership and participation in the TCFD Electric Utilities Preparer Forum, the Energy Solutions Project, the Natural Climate Solutions Project and the Redefining Value Programme. |



Chief Executive Officer Richard Lancaster (second from right) shares his insights into business sustainability leadership at the ReThink HK 2021 conference, co-organised by the Business Environment Council.



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Community investment

Management approach

CLP strives to build and maintain the trust of the communities in which it operates. 'Doing the right thing' is foundational to both the Company's values and social licence to operate.

The Group is committed to contributing to programmes which support healthy, resilient and sustainable community development over the short and long term. In line with the CLP Group Community Initiatives, Sponsorship and Donation Policy on community engagement, the Company aims to:

- · Support projects or programmes that reflect the needs and expectations of local communities and are sensitive to prevailing cultures, traditions and values;
- · Support projects or programmes that are systematically managed with clearly identified objectives and expected outcomes;
- · Engage in long-term partnerships with credible international, national, regional and local community organisations, non-governmental organisations and charities;
- Support projects or programmes that offer an opportunity for CLP's employees to be involved; and

Regularly evaluate the outcomes and impacts of the contributions.

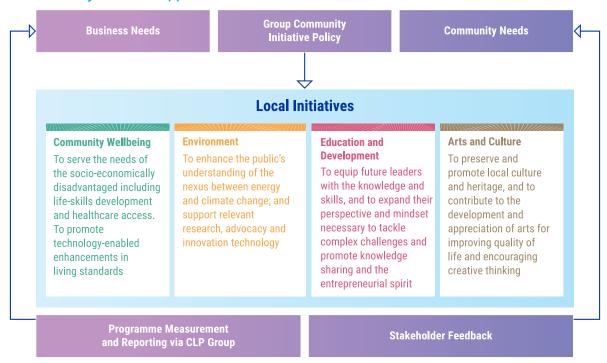
Sponsorship and Donation Policy

Strategies and procedures

CLP's community investment strategy is guided by the CLP Group Community Initiatives, Sponsorship and Donation Policy, which sets out principles and directions in the implementation of community initiatives across all business units and functions. The policy, alongside the Company's corporate governance and internal control measures, as well as a standardised online reporting platform, aim to facilitate a coherent and transparent approach in the assessment, design, review and reporting of CLP's community activities. This helps ensure resources are effectively deployed to serve the community's needs in a timely manner.

The strategy focuses on four key areas: Community Wellbeing, Environment, Education and Development, and Arts and Culture. Each business unit implements the strategy according to local conditions and community needs.

CLP's Community Initiative Approach





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Monitoring and follow-up

CLP understands that community needs evolve over time. The policy is reviewed every three years to ensure it aligns with the Company's development and changes in the external environment.

Different socio-economic impact measurement tools that evaluate the social impact of community initiatives have

been benchmarked. The most suitable tools are used to review the effectiveness of CLP's community initiatives.

CLP has a standardised online reporting system for reviewing and reporting its community initiatives. The system is designed to enhance the overall effectiveness and efficiency of these initiatives by aggregating data on themes, partners, spending, beneficiaries, volunteer hours and impacts.

Year in review

CLP Power launched a series of community support programmes in 2021, offering community funding of more than HK\$160 million.

GRI reference: 201-1, 203-1, 203-2

After a record year of charitable giving during the first year of the COVID-19 pandemic (2020) and a stronger focus on community support programmes, the number of direct donations to charitable and other purposes decreased from HK\$27 million in 2020 to HK\$15 million in 2021. However, CLP recognises the adverse impacts of the pandemic continued to affect communities. Hence many of the assistance and relief programmes launched in 2020 were extended and new ones initiated.

In respect of the four pillars under the CLP Group Community Initiatives, Sponsorship and Donation Policy – Community Wellbeing, Environment, Education and Development, and Arts and Culture – community spending remained focused upon environmental topics. In addition, the focus on youth across all four pillars continued. Select case studies are featured in this section to showcase these programmes.

In 2021, CLP's community programmes have directly benefitted more than 1,580,000 people, an increase from more than 918,000 in 2020. This year, the community wellbeing pillar accounted for 63% of direct beneficiaries. The CLP Retail and Catering Coupons Programme was a major programme during the year, and had an extensive reach across the Hong Kong community.

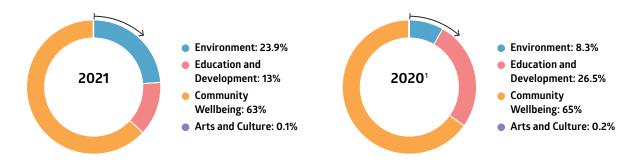
| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---------------------------------------|------------|----------|----------|----------|----------|
| Direct beneficiaries | 1,580,000+ | 918,000+ | 615,000+ | 730,000+ | 439,000+ |
| Organisations benefitted ¹ | 232 | 263 | 401 | 434 | 451 |

¹ Organisations benefitted include professional bodies, academic institutes, NGOs and community groups.

Beneficiaries by theme



Of the more than 1,580,000 beneficiaries in 2021, 63% benefitted from CLP's community wellbeing initiatives. The significant increase in beneficiaries resulted thanks to CLP's Retail and Catering Coupons Programme.



^{1 2020} data has been restated to show one decimal point.



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As pandemic restrictions were eased in certain regions, the number of volunteer hours contributed increased significantly in 2021, though the number of community programmes implemented was fewer. The amount donated by CLP for charitable and other community purposes decreased to HKD\$15 million. Community spending by theme and geography is summarised in the charts below.

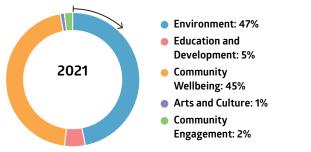
| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|--------|--------|--------|--------|--------|
| Amount donated for charitable and other purposes (HK\$M)¹ | 15.09 | 27.00 | 20.98 | 18.31 | 14.47 |
| Volunteer hours (hours) ¹ | 16,541 | 10,973 | 20,015 | 23,661 | 19,945 |
| Programmes implemented (number) | 443 | 468 | 663 | 695 | 647 |

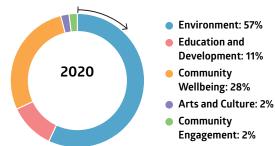
¹ Numbers have been subject to rounding.

Community spending by theme



The largest percentage of community spending was directed to environment initiatives (47%), followed by community wellbeing initiatives (45%).





Community spending by region



The largest percentage of community spending was directed to Hong Kong (91%).



Since its launch in 2018, the Workplace Giving programme of EnergyAustralia has received strong support from the majority of employees, who continue to donate up to 1% of their salaries to charity partners. EnergyAustralia reached its first A\$1 million donations in May 2021 within the first three years of the programme, faster than any Australian business. The programme was recognised at Workplace Giving Australia's 2021 awards for excellence, taking gold for best overall program (large organisation) as well as the gold award for best innovation. More information about the achievements can be found here.

Find out more on local community initiatives



programmes in the Annual Report



Hong Kong: 84%

Mainland

China: 2%

India: 9%

Australia: 5%



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CASE STUDY

All round community support during the pandemic

The COVID-19 pandemic continues to adversely affect different sectors of society. CLP Power rolled out a range of targeted initiatives to address the needs of the communities of Hong Kong.

Although schools have resumed face-to-face classes, a combination of that and e-learning has become a new normal as the COVID-19 pandemic continues to disrupt normal life. This has been a challenge for less welloff families unable to afford online learning equipment for their children or lacking the computer skills to support them.

To address this digital divide, CLP Power collected 100 second-hand computer notebooks in good condition and donated them to underprivileged families through the Hong Kong Single Parents Association and the Hong Kong Computer Society. CLP volunteers also provided computer training for parents and children caught on the wrong side of the digital divide.



Ms Zeng Xu-yun (middle) and her child are delighted to receive a computer donated by CLP Power. Ms Zeng said she appreciated the guidance of CLP volunteers at a workshop which has given her the confidence to play a part in her child's e-learning.

Beyond donating used laptops to underprivileged families, more than 2,300 anti-virus goody bags were distributed to underprivileged people and virtual visits to seniors in elderly homes and day care centres were arranged. A food drive was also held across various CLP premises. Around 990 kg of food was collected by CLP volunteers in five days, equivalent to 2,367 meals, and donated to a local food bank for distribution to those in need. These initiatives are a continuation of CLP volunteers' pandemic support since 2020. CLP Power won four awards in the Hong Kong Construction Industry Volunteer Award Scheme, recognising CLP Power's initiatives in caring for the community using technology and creativity during the pandemic.

Due to a surge of COVID-19 infections at construction sites in early 2021, CLP donated 10,000 bottles of hand sanitiser to frontline workers through a community organisation that serves labourers of public utilities.

Furthermore, to support Hong Kong households and businesses struggling under the pandemic, CLP Power dedicated more than \$80 million from the CLP Community Energy Saving Fund for a six-month CLP Retail and Catering Coupons programme. Coupons were given to each of the nearly 800,000 households, including residential customers with low electricity consumption, elderly customers who are qualified for concessionary tariffs, and 10,000 tenants of subdivided units. The coupons could be used in more than 2,800 participating outlets during the six-month period. The programme received a very positive response and will be relaunched in 2022.

CLP also recognises vaccination as an effective means to protect the community and a vital tool to end the pandemic. In order to encourage more Hong Kong residents to get vaccinated against COVID-19, CLP sponsored vaccination lucky draws hosted by the Hong Kong General Chamber of Commerce and The Chinese Manufacturers Association, and donated over HK\$0.8 million to charities for the vaccinations received by Hong Kong-based employees and their family members.



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CASE STUDY

Celebrating 120 years of serving Hong Kong

2021 marks CLP Power's 120th year serving the Hong Kong community. To celebrate, multiple projects were launched across Hong Kong.

CLP Power launched the We Love Dance programme in 2021 to promote exercise, energy savings and caring for the underprivileged, while spreading positive energy via a city-wide dance campaign. To spread the joy and positivity of dancing to all corners of Hong Kong, the programme included a mobile truck roadshow, community dance classes, an online family dance contest and Instagram game challenges. It will end with a danceathon finale in 2022. The truck touring across Hong Kong featured a dance mat game that turns kinetic energy from dancing into electricity, to promote the importance of saving energy.

In addition to energising the community through dance, CLP Power extended the campaign to support those in need. For every dance completed by participants in the programme activities, CLP Power offered five units of electricity in subsidies to beneficiaries of CLP Power Connect initiative. The beneficiaries included elderly people, disabled people, low-income families and tenants of subdivided units. The campaign had a total budget of up to HK\$2 million in subsidies.



WATCH NOW **>**

To spruce up the ubiquitous grey distribution boxes across the city, the Distribution Box Beautification Project was launched. The project features the work of local artists on distribution boxes in four districts of Hong Kong. The artworks were themed on local landmarks, cultural elements and sustainable power generation. Guided tours to visit the boxes, and the traditional shops and local landmarks that inspired them, were conducted for students to learn about the unique history of their district and the relationship between electricity and community.



The distribution boxes also feature the ability to add sustainability-inspired effects to photos using augmented reality.

Beautification Project



For Hong Kong-based employees, the Group also organised the "CLP 120th Anniversary – Hike, Hunt, Have Fun" at the Kadoorie Farm and Botanic Garden. Employees came together to share the celebration of CLP's milestone, and raise funds to support the farm's works on nature conservation and sustainability promotion. The day showcased how a business initiative of team building and celebration can be combined with community investment.



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CASE STUDY

Providing opportunities to young people

Fresh graduates and career starters face many challenges nowadays, including economic downturns resulting from the pandemic. Across its business areas, CLP is keeping up its efforts to address the needs of local youth and give support in collaboration with various partners.

In Hong Kong, Vocational and Professional Education and Training (VPET) plays a vital role in broadening the learning opportunities of school leavers and in-service personnel. In collaboration with the Vocational Training Council (VTC), in 2020 CLP Power launched the CLP Award for VPET Students. The award assists VPETenrolled students with financial needs to allow them to continue their studies. The VPET programmes offer higher diploma training in electrical engineering, mechanical engineering, environmental engineering, computer and electronic engineering, and environmental protection and management.



A member of CLP's Graduate Trainee Programme in training to become a power engineer.

On a yearly basis, the CLP Community Energy Saving Fund (CESF) will allocate HK\$1.5 million to the award, providing a subsidy of HK\$20,000 to each eligible student and benefitting a total of 75 students in each cohort. Awardees also have opportunities to join CLP's seminars and the summer internship programme to gain a deeper understanding of careers in electricity, engineering and environment. The award not only provides training opportunities to these students in the energy sector, but also helps nurture a new generation of talent for Hong Kong's power engineering industry.

In 2021, CLP Power extended its Graduate Internship Programme to a second year, offering internships to recent university graduates for a 12-month period. The programme covers a wide range of projects suitable for university graduates from different disciplines, such as business, engineering, environmental affairs and information technology. In 2021, 56 graduate interns joined CLP in Hong Kong to gain work experience.



Providing opportunities to young people

WATCH NOW **>**

In Mainland China, CLP's youth initiatives included:

- · Supporting 812 students from 34 schools under the CLP Support-a-Student Programme.
- · Funding to upgrade facilities at three schools in Sichuan with more than 800 students benefitting from the CLP Support-a-School Programme.
- The launch of the Guangxi Ethnic Minority Community Project to improve the study environment and school facilities for youngsters from ethnic minorities, and also to equip local women from ethnic minorities with skillsets to bring sustainable income to their families.



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All-in-one ecosystem solution for smart elderly homes

There is a need for elderly home operators to reduce repetitive manual work and enhance energy saving while providing better quality of life for their elderly residents.

In view of this, CLP Power took a proactive role to work with stakeholders to explore solutions. The result was an all-in-one elderly home management system integrating six smart functions: Smart Energy Management, Smart Cooking, Smart Environment, Smart Health, Smart Entertainment, and Smart Safety. Forward Living, a newly-built private elderly home, is currently piloting the system.





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CASE STUDY

Incorporating the art of Traditional Owners at EnergyAustralia's new headquarters

EnergyAustralia's new headquarters at Two Melbourne Quarter (2MQ), in the heart of the city, boasts the latest technology and sustainable, cutting-edge design. Though it is not all about the new and futuristic. The office also respects the past and present Traditional Owners of the land it occupies, the Wurundjeri Woi-Wurrung peoples of the Kulin nation.

EnergyAustralia's main reception area, on level 19, features the embossed word 'Wominjeka' which means 'Welcome' in the Wurundjeri and Dja Dja Wurrung languages of Melbourne/Naarm and central Victoria. The centrepiece of the new headquarters is the artwork titled Wominjeka Wurundjeri-al Biik-u (Welcome to Wurundjeri Country) on the office's hub floor, created by artist Mandy Nicholson, a Wurundjeri, Dja Dja Wurrung and Ngurai Illam Wurrung woman.

"The work represents the six layers of Wurundjeri country: Dharangalk Biik (Cosmos), Wurru wurru Biik (Sky Country), Murnmut Biik (Wind Country), Baanj Biik (Water Country), Biik-dui (On Country), and Biik-ut (Below Country)," said Mandy. "Another way to keep our culture alive is through art and raising the awareness that our connection to country has never faded."

Consultation with Traditional Owners early in the design process of the headquarters has resulted in an interior that has culture at the forefront for all to see and learn from. The consulted elders, Aunty Gail Smith and Aunty Julieanne Axford, are passionate about their heritage and proud to share their wealth of knowledge.

Social Performance Lead at EnergyAustralia, Jade Torcasio said, "We wanted to speak with Traditional Owners in

the very early stages of this project and explain our plans, and to listen to Traditional Owners on their own cultures, stories and aspirations. The outcome is a mutual agreement on how we recognise and show respect to their cultures and continue their work in keeping it alive by incorporating it into the way we work."

The initiative is part of EnergyAustralia's commitment to increase engagement and participation with Aboriginal and Torres Strait Islander peoples, cultures and communities, in line with its Reconciliation Action Plan launched in 2017.



Artist Mandy Nicholson working on the mural in its early stages.



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Contributions to public policies

| Contributions to public policies | | | | | | | | |
|--|-------|------|------|------|------|--|--|--|
| Types of organisations (in HK\$M) | 2021 | 2020 | 2019 | 2018 | 2017 | | | |
| Lobbying, interest representation or similar | 0 | 0 | 0 | N/A | N/A | | | |
| Local, regional or national political campaigns, organisations or candidates | 0 | 0 | 0 | N/A | N/A | | | |
| Trade associations or tax-exempt groups (e.g. think tanks) ¹ | 14.12 | 8.90 | 8.04 | N/A | N/A | | | |
| Others (e.g. spending related to ballot measures or referendums) | 0 | 0 | 0 | N/A | N/A | | | |

¹ Includes contributions to professional organisations that seek to influence policies in the form of membership, donation or sponsorship.

Community investment

| Programmes | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------|------|------|------|------|
| Community programmes implemented (number) | 443 | 468 | 663 | 695 | 647 |
| | | | | | |
| The state of the s | | | | | |

| Spending | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|------|------|------|------|------|
| Community spending by theme (%) ¹ | | | | | |
| Education and Development | 5 | 11 | 18 | 19 | 13 |
| Community Wellbeing | 45 | 28 | 9 | 22 | 23 |
| Environment | 47 | 57 | 68 | 50 | 41 |
| Arts and Culture | 1 | 2 | 2 | 3 | 9 |
| Community Engagement | 2 | 2 | 3 | 6 | 14 |
| Community spending by region (%) ¹ | | | | | |
| Hong Kong | 91 | 84 | 81 | 77 | 81 |
| Mainland China | 1 | 2 | 1 | 1 | 2 |
| Australia | 2 | 5 | 10 | 14 | 9 |
| India | 6 | 9 | 8 | 8 | 8 |

¹ Numbers have been subject to rounding. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

| Donations | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-------|-------|-------|-------|-------|
| Amount donated for charitable and other purposes (HK\$M)¹ | 15.09 | 27.00 | 20.98 | 18.31 | 14.47 |

¹ Numbers have been subject to rounding.

| Time and expertise contributed | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|--------|--------|--------|--------|--------|
| Volunteer hours from CLP staff and family members (hours) ¹ | 16,541 | 10,973 | 20,015 | 23,661 | 19,945 |
| Skill-based (%) ^{2,3} | 0.4 | 0.8 | 0.5 | 2.4 | 3.9 |
| Non skill-based (%) ^{2,4} | 99.6 | 99.2 | 0.5 | 97.6 | 96.1 |

¹ Numbers have been subject to rounding.

² Numbers have been subject to rounding. 2017-2020 data was restated to show one decimal place. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

³ Refers to volunteering work that requires electrical engineering skills or licenses.

⁴ Refers to hands-on, generic services that do not require professional electrical engineering skills or licenses.



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| Beneficiaries | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|------------|----------|----------|----------|----------|
| Beneficiaries (number) | | | | | |
| Direct beneficiaries | 1,580,000+ | 918,000+ | 615,000+ | 730,000+ | 439,000+ |
| Organisations benefitted ¹ | 232 | 263 | 401 | 434 | 451 |
| Beneficiaries by theme (%) ² | | | | | |
| Education and Development | 13.0 | 26.5 | 63.1 | 68.6 | 42.5 |
| Community Wellbeing | 63.0 | 65.0 | 20.3 | 20.3 | 35.4 |
| Environment | 23.9 | 8.3 | 16.1 | 10.4 | 20.5 |
| Arts and Culture | 0.1 | 0.2 | 0.5 | 0.7 | 1.6 |

Includes professional bodies, academic institutes, NGOs and community groups.
 Numbers have been subject to rounding. 2017-2020 data was restated to show one decimal place. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.



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Overview

CLP's almost 18,000 employees and contractors contribute their energy, talent and shared values to customers, investors and stakeholders every day. CLP has long recognised that caring for people is integral to its success.

CLP strives to act as a responsible employer, meeting the expectations of the people that work for it - directly or indirectly – and the wider community. This means providing people with fair and decent work; safe, healthy, and productive work environments; long-term work; and support to achieve their full potential. It also means developing young people and ensuring everyone who works at CLP is treated fairly, with respect.

In transitioning to net-zero and taking advantage of the prospects that spring from the greater integration of Hong Kong into the Greater Bay Area, CLP will create

new job opportunities directly and throughout its value chain, delivering economic value to communities across Asia Pacific. CLP also seeks to address broader social issues and create social value by fostering diversity and inclusion, promoting fair and ethical work practices, and strengthening employees' wellbeing and resilience to enable them to thrive in the changes brought by energy transition.

Key stakeholders

· Employees, Community, Suppliers

Related material topics

- · Fostering agility, diversity and inclusion
- · Attracting and retaining future talent
- · Aligning business activities with community, employee, and customer expectations

Workforce size and mix

CLP engaged close to 18,000 employees and contractors on a full-time equivalent basis at the end of 2021.

GRI reference: 2-7, 2-8

The number of total employees rose, primarily due to recovery of activity in the second year of the pandemic. Utilisation of service contractors was slightly higher than in 2020, primarily reflecting skilled jobs created in Hong Kong and Mainland China to support decarbonisation projects, and a planned major overhaul of the Jhajjar Power Station in India.

To support growth, CLPe Solutions' new energy business in Hong Kong implemented a programme to offer permanent positions with enhanced pay and benefits to selected fixedterm contract staff, and to enhance pay and benefits for remaining contract staff. CLP Power in Hong Kong also offered more permanent roles to selected labour supply workers following a strategic review of the use of labour hire.