

Shaping our future impacts, today

2023 Sustainability Report

Stock Code: 00002

Our people

Overview

Areas of stakeholder interest	Relevant sustainability agenda
• Workforce size and mix • Fair and ethical work practices • Fostering diversity and inclusion • Talent and skills development • Supporting employees to thrive in change • Health, Safety and Environment management • Occupational health and safety	**A safe, future-ready workforce** • Attracting and developing diverse future talent and capabilities • Helping our people succeed • Embedding agile and innovative ways of working, mindsets and behaviours • Promoting workplace safety and wellbeing **Community stewardship** • Promoting responsible supply chains

Outcome for stakeholders

Achieve gender balance in leadership positions by 2030

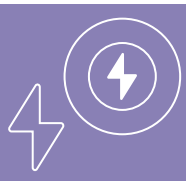
Achieve 30% of engineers to be female by 2030



Completed a revamp of the Group's **Health, Safety and the Environment Management System (HSEMS)**

6 **new "Come and Learn" learning modules,** with over 1,000 participants from Hong Kong and Mainland China

Zero fatality among employees and contractors



29.1% of leadership roles occupied by women



13.3% of engineers are women



Over 4,100 employees have been trained via the Design Thinking programme since its launch in 2019



Workforce size and mix

CLP engaged over 16,200 employees and contractors on a full-time equivalent basis at the end of 2023.

GRI reference: 2-7, 2-8

Reflecting Apraava Energy's transition to a joint venture at the end of 2022, total workforce reporting excludes Apraava Energy from 2023. For more details, please refer to Reporting scope and data verification section.

Across remaining markets, the total employment rose, primarily due to continued post-pandemic recovery of activity. Utilisation of service contractors increased, reflecting temporary skills requirements to support decarbonisation and digitalisation projects.

Employees and contractors by region

	Employees			Contractors			Total	
	Average FTE (a)	Permanent %	Fixed-term contract %	Labour supply (b)	Service contractor (c)	Contractors sub-total	Total workforce (a)+(b)+(c)[1]	Contractors in total workforce %
Hong Kong	5,168.0	83.0	17.0	904.1	4,880.1	5,784.3	10,952.3	52.8
Mainland China	702.0	70.1	29.9	24.0	534.8	558.8	1,260.8	44.3
Australia	2,330.0	95.9	4.1	138.5	1,600.0	1,738.5	4,068.5	42.7
Group total[1]	**8,200.0**	**85.4**	**14.6**	**1,066.6**	**7,014.9**	**8,081.6**	**16,281.6**	**49.6**

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

Fair and ethical work practices

Our approach

The Group is fully committed to complying with all local laws and regulations relating to work practices, demonstrating respect for all its people, and implementing values-based management in addressing broader social issues.

GRI reference: 2-23, 2-25, 2-30, 401-2, 402-1, 407-1, 408-1, 409-1

CLP's human resources policies and procedures are intended to ensure compliance with all local laws and regulations relating to employee compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, as well as laws combatting discrimination and, sexual and non-sexual harassment, and those covering benefits and welfare. CLP takes immediate action to investigate and address any suspected breaches or issues that are brought to its attention.

Standards and procedures

Beyond compliance, CLP recognises its responsibility to respect human rights at work, as laid out in international principles, standards, and laws. CLP is a signatory of the World Business Council for Sustainable Development's (WBCSD) Call to Action for Business Leadership on Human Rights, and of the Good Employer Charter established by the Labour Department of Hong Kong, in which it pledges to be an employee-oriented employer that implements good human resources management practices.

Human rights and labour standards

In addition to local legal compliance, CLP respects internationally recognised human rights relevant to its operations and requires its business partners and suppliers to do the same.

The commitment to upholding human rights is outlined in CLP's Group Labour Standards. Referencing the United Nations Guiding Principles on Business and Human Rights and other international standards, they set company-wide minimum standards on critical working conditions and the basic rights of employees in the workplace.

CLP's commitment is also integrated into its Value Framework and Responsible Procurement Policy Statement and the newly launched Supplier Code of Conduct (SCoC). EnergyAustralia also has its own SCoC and reports annually on the risks of modern slavery in its operations and supply chains, as well as the actions taken to address those risks.

Read more on CLP's Group Labour Standards

Human Rights Due Diligence

As part of its pre-investment decision-making process, CLP conducts comprehensive due diligence to evaluate the non-

financial impacts and risks in areas including those relating to employment practices, the environmental, local community and other stakeholder impacts.

CLP conducts internal and external due diligence on performance management and reward practices to ensure they are free from gender bias.

CLP also implements the risk assessment processes across the procurement lifecycle to manage ESG issues, including human rights. For more details, please refer to the Responsible procurement section.

Discrimination and Harassment
CLP aims to provide work environments that are free of harassment or discrimination on the basis of gender, physical or mental conditions, race, nationality, religion, age, family status, sexual orientation, and any other attribute recognised by the laws of the country in which the Company operates.

Use of temporary and contractor labour
CLP uses temporary labour for work that is time-bound or during periods of peak activity, and engages labour employed by third parties for non-core work and work requiring specialist skills. CLP aims to achieve an optimal balance between the insourcing and outsourcing of capabilities, and to ensure that the working hours and remuneration of workers employed by contractors are fair and reasonable.

Fair wages
CLP complies fully with all local legal requirements with respect to the minimum wage. In practice, its remuneration and benefits for permanent staff often significantly exceed local legal minimum requirements.

While it is not Group policy or market practice to provide the same employment benefits to temporary staff as for regular permanent staff, CLP's benefits for temporary staff are competitive with local market practice and meet or exceed local legal requirements. CLP monitors pay carefully to ensure it is competitive and rewards employees for individual and company performance. Its core employee benefits are reviewed regularly to ensure they are fit for purpose and sustainable.

Supporting our people to speak up and acting on reports of wrongdoing
Each CLP business has an employee grievance procedure in place that reflects the CLP's Value Framework and any applicable local legal requirements. The procedures ensure fairness and independence in the investigation process and respect the confidentiality of the parties involved. CLP's Whistleblowing Policy enables employees and related third parties to raise concerns about irregularities through a confidential channel.

Monitoring and follow-up

Detailed policies are in place in each jurisdiction, based on CLP's Value Framework and Group Labour Standards, that are fully compliant with local legislation. Regular refresher training is organised for employees on key topics, including CLP's Code of Conduct, business practice review and its Harassment-free Workplace Policy.

CLP prohibits child labour and forced labour in all of its operations, and has stringent checking and control procedures in its selection and onboarding processes to enforce this policy.

Each year, CLP uses independent external consultants to benchmark remuneration and benefits against relevant recruitment markets. Decisions on remuneration are subject to the corporate governance process and the approval of the Board Human Resources & Remuneration Committee, to ensure a balance between the interests of both employees and shareholders.

CLP carries out independent audits of its human resources policies and procedures to identify legal non-compliance risks and takes remedial action if any are identified. Immediate action is taken to investigate and address any suspected breaches or issues that are brought to the Company's attention.

Read more on breaches of the CLP Code of Conduct →

Initiatives and progress

CLP has furthered its efforts to operate ethically and fairly, and has continued to receive external recognition for its policies and practices relating to wages and retirement.

GRI reference: 201-3

CLP's Group Labour Standards outline CLP's commitment to international principles and conventions. They also provide details of how CLP delivers on this commitment through company-wide minimum standards on critical working conditions, including fair and decent work and working hours, and the basic rights of employees in the workplace. The standards have also been embedded into the procurement requirements for labour suppliers in Hong Kong, and CLP's tracking and monitoring of its temporary manpower resources has been strengthened. Relevant expectations of labour practices and human rights have been embedded in the newly launched Supplier Code of Conduct and communicated to CLP's suppliers.

In 2023, CLP did not identify any operation or supplier as having a significant risk of child labour, young workers exposed to hazardous work, or forced or compulsory labour, and no breach of laws and regulations in relation to child labour and forced labour was recorded. Additionally, no Group operation was identified in which the right to exercise freedom of association and collective bargaining was violated or at significant risk.

In 2023, Apraava Energy established a Human Rights Policy under its diversity and inclusion (D&I) roadmap. Like the CLP's Group Labour Standards, it is guided by the United Nations Guiding Principles on Business and Human Rights and provides a framework for addressing and preventing associated risks. The policy reflects Apraava Energy's commitment to respecting and promoting human rights across the organisation.

Apraava Energy organised awareness sessions titled "Right Environment at Workplace" in the year. These covered topics such as anti-harassment policies, gender sensitisation, sexual harassment, and grievance resolution.

CLP's Hong Kong businesses were awarded Fair Wage Certificates by the Fair Wage Network in recognition of their wage policies, practices and ongoing enhancements in the assessment in prior years. In 2023, CLP improved its wage communications with employees and the launch of its refreshed performance management system enabled it to place greater emphasis on the linkage between rewards and performance, while also streamlining and enhancing the total rewards statement for employees.

In recognition of its efforts in providing sustainable retirement benefits, CLP also received awards for "Hong Kong Best ORSO (Occupational Retirement) Scheme" and "Hong Kong Best Member Communications" in 2023, by Asia Asset Management. These awards are given to companies in the Asia Pacific region for their excellence in managing retirement benefits for employees. CLP has been a winner for several consecutive years.

Fostering diversity and inclusion

Our approach

CLP believes having a diverse workforce and an inclusive culture supports high performance and its ability to operate effectively in the many communities in which it operates. To this end, CLP has set targets to encourage more women into the workforce, and policies to help employees better balance their work and home-life commitments.

Given the nature of CLP's business and the markets in which it operates, CLP has set gender diversity as a Group-wide priority. Long-term aspirational Group-wide gender diversity targets have been set that reflect UN Sustainable Development Goals. The targets are:

- **Women in Leadership target:** To achieve gender balance in leadership positions by 2030, against a 2016 baseline of 22% of women in leadership positions;
- **Women in Engineering target:** For 30% of engineers to be female by 2030 compared to a 2016 baseline of 9%; and
- **Equal pay for work of equal value:** Ensuring equal pay for work of equal value is maintained in all CLP Group businesses, that any gender pay equity gap is eliminated, and that CLP meets all relevant local compliance and disclosure standards.

Standards and procedures

CLP is a signatory to the International Energy Agency's Equal by 30 initiative, a commitment by public and private sector organisations to work towards gender equality in the energy sector by 2030, and to the Women's Empowerment Principles established by the UN Global Compact and UN Women in India. Local Diversity and Inclusion Councils operate in Hong Kong, India and Australia that are driving the Company's efforts on diversity.

CLP's human resources policies include initiatives to encourage the retention of employees, such as flexible work arrangements, maternity leave, and other family-friendly policies and benefits. CLP's recruitment processes are designed to be fair and non-discriminatory. In Hong Kong, its processes follow the Equal Opportunities Commission Code of Practice, and include the use of consistent selection criteria. In other parts of the Group, CLP complies with local legislation and codes of practice on recruitment. When conducting senior level searches, CLP also requires external recruitment firms to identify candidates with diverse backgrounds, in line with the Group's values.

Monitoring and follow-up

Gender diversity progress is reviewed as part of CLP's regular general management and engineering talent reviews. The Board Human Resources & Remuneration Committee reviews progress against gender diversity targets annually. CLP also conducts regular reviews to identify any gender pay gaps, and to ensure equal pay for work of equal value.

Initiatives and progress

Management has continued to leverage a variety of targeted programmes and activities to drive improved outcomes in diversity and inclusion.

GRI reference: 202-1, 202-2, 405-2

As of the end of 2023, the percentage of Women in Leadership roles was maintained (2023: 29.1% vs 2022: 29.1%), while Women in Engineering increased slightly (2023: 13.3% vs 2022: 13%). Over the past two years, the number of female graduate trainees recruited in Hong Kong has nearly doubled as part of an enlarged intake. Many female graduate hires had participated in either CLP's Female Engineering Student Mentoring Programme or had received an Engineering Study Award to support their final-year studies.

The percentages of women identified in succession pipelines, high potential pools and development programmes were around 30%, in line with last year. In Hong Kong, an empowerment programme for women called Taking the Stage, aiming to build confidence and executive presence, was implemented. In addition, selected female executives also participated in Board preparation programmes and career facilitation dialogues.

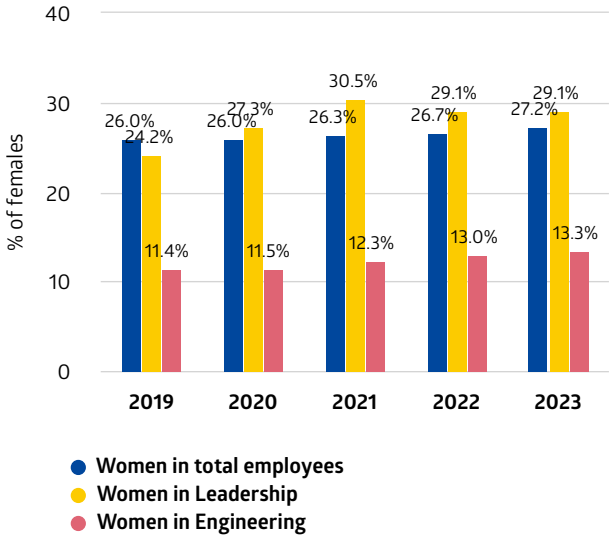
CLP conducted its first D&I employee survey in Hong Kong which attracted over 1,000 responses, and provided insights to prioritise areas such as promoting flexible working and creating a more inclusive environment. CLP also supported employees to establish a Gender Equity support network to increase employee awareness and programme participation. Work commenced to refresh CLP's Group Diversity Strategy, which is expected to conclude in 2024.

CLP's principle of equal pay for work of equal value continued to be upheld. This is achieved through independent external assessment of job size and complexity together with external pay range benchmarking, allowing pay differentials to reflect only each employee's experience, performance and certain market factors. Performance and pay outcomes are reviewed internally and externally for gender bias, and differences in the average pay between females and males are moderate (single-digit difference), except for some technical roles which are typically dominated by male team members with higher length of service.

Across the Group, EnergyAustralia continued to conduct activities to foster its diversity, equity and inclusion as part of its Diversity, Equity & Inclusion (DEI) Strategy. Work commenced to refresh EnergyAustralia's DEI strategy, under the umbrella of the Group Strategy. In 2023, EnergyAustralia reaffirmed its commitment to maintaining zero gender pay gap on a like-for-like job grade basis through annual Workplace Gender Equality Agency reporting and analysis.

Female Representation in CLP

Gender workforce participation remained similar in 2023, taking population changes into account.



Talent and skills development

Our approach

CLP's ability to transition to a zero-carbon and digitally enabled future requires systematic organisational development, including a fostering of the talent and skills required to compete effectively in key markets.

GRI reference: 404-2, 404-3

CLP has a comprehensive training and development framework in place, aligned with its business objectives, to help employees perform competently in their current roles and prepare them for future business challenges and opportunities. Investment is also being made in helping young people develop and in building future energy industry capability that is inclusive and accessible to all.

Standards and procedures

CLP seeks to attract, retain, and develop a diverse and multi-generational workforce, and to develop new skills and share talent effectively across its portfolio of businesses. Internal development efforts are supplemented by external recruitment for new-to-CLP skills focused on capabilities in innovation, digital and renewables.

Investing in youth and early careers

Addressing the need for future skills and ensuring an adequate supply of talent for the evolving energy industry requires significant investment in encouraging young people to join CLP, and accelerating their early career development.

Opportunities for young people are provided in Hong Kong through mentoring programmes, partnerships with local and overseas institutions for work placements for secondary and tertiary-level students, internships for fresh graduates across a range of disciplines, technical apprenticeships, and the CLP Graduate Trainee Programme. The CLP Power Academy in Hong Kong also offers programmes for school leavers and working adults looking to pursue careers in the energy industry. CLP participates in youth development schemes such as the HKSAR Government's Greater Bay Area Youth Employment Scheme. In Mainland China, CLP supports the efforts of local technicians and engineers to attain professional engineering qualifications.

Enhancing performance management as part of building a high-performing organisation

CLP revised its performance management system in core markets, to provide enhanced feedback to team members to support their development as well to increase performance differentiation. Leadership expectations and competencies were also been refreshed to set out guidance on the behaviours and capabilities expected of employees.

Maintaining core skills and developing new skills for the future

Skills and safety training are provided to develop technical and functional competencies and behaviours. All CLP employees participate in an annual performance and development cycle which includes at least two performance discussions each year and provides ongoing feedback and coaching conversations, clarity in terms of expectations on behaviour and performance, understanding of how they contribute to CLP's objectives, and support for individual development needs. Cross-functional and 360-degree feedback is included where appropriate. Through this process, CLP also recognises and rewards individual performance and success. Employees are provided the opportunity to continuously learn and build skill via online and face-to-face learning resources and programmes, and can access company support for employee-initiated self-development, including support for job relevant degree programmes or certifications.

Developing leaders

CLP's strategy requires a diverse, resilient and agile leadership team with the stakeholder management and change leadership skills to help CLP grow, and high-quality succession leadership roles in place. CLP remains committed to filling most of its leadership roles internally.

Strategic, general management and talent development programmes are used to develop future leaders, with programmes delivered internally (in Hong Kong through the CLP Learning Institute and the Power Academy) and in partnership with leading academic institutions, including the International Institute for Management Development (IMD), the Tsinghua School of Economics and Management, the Chatham House and the École Polytechnique Fédérale de Lausanne (EPFL). Expert briefings and workshops are conducted on the latest global economic, political and technological trends, including those relating to energy transition, digital disruption, wellbeing and resilience.

Monitoring and follow-up

CLP conducts regular talent and capability reviews, underpinned by employee analytics, focused on both general management and engineering streams. These reviews monitor and follow up on actions to address current and future gaps and opportunities, including the progress of development programmes, recruitment campaigns, initiatives to strengthen gender diversity and cross-business assignments.

The effectiveness of this approach is measured against a range of key performance indicators, including retention of key talent, turnover, diversity and employee engagement measures, using developed employee analytics tools. The Board Human Resources & Remuneration Committee reviews talent and capability progress annually.

Despite the challenges of recruitment and delivering training during the COVID-19 pandemic in past years, CLP increased its investment in youth development, core skills training and leadership development programmes, and invested in training systems and frameworks.

Initiatives and progress

CLP inducted 45 trainees into the Hong Kong Engineering Graduate Trainee programme in 2023, the largest intake ever with the highest number of female and Mainland students.

CLP also expanded its recruitment channels with local and overseas institutions. Extended recruitment efforts in Mainland China resulted in significantly higher numbers of applicants from Mainland graduates, enriching the talent pool. For more information, please see the case study in the 2023 Annual Report.

Other development programmes for engineers and managers at different stages of their careers progressed, helping to strengthen CLP's career pipelines. Engineering talent rotations across Hong Kong and Mainland China were scaled up, while CLP's Energy Transition Experience Programme continued to introduce the energy business and its opportunities in Mainland China.

To support the development of CLP digital talents and build their capabilities, targeted initiatives such as the Digital Talent Day and Digital Trainee Programme were organised. In addition, the #Leaders of Future, one of CLP's leadership development programmes, continued with a strategic thinking programme facilitated by faculty from the Ivey Business School to help strengthen participants' agility and foster an innovative mindset, as well as enhancing their commercial acumen.

Supporting employees to thrive in change

Our approach

CLP is committed to developing an engaged and high-performing workforce, and helping all its people to thrive in a period of change brought about by energy transition.

GRI reference: 401-2, 401-3, 404-2

In the long term it is achieving this by maintaining strong working relationships with its employees and their representatives, providing flexible working arrangements and benefits to support employees through all their life stages, helping employees to strengthen their wellbeing and resilience, and providing support and re-skilling opportunities to employees whose jobs are affected by the transition to net zero or other business restructuring.

Standards and procedures

Offering flexible, family-friendly working arrangements

CLP aims to support employees through all their life stages, from those starting their careers to those reaching retirement.

People at different life stages benefit from different working arrangements. To this end, CLP promotes family-friendly leave policies and flexible working arrangements, and offers a range of leave options to help its people achieve a good work-life balance. These include parental and adoption leave, volunteering leave and study leave. Where practicable in CLP's offices and premises, lactation facilities are provided for mothers in the workforce.

CLP has enhanced its flexible work policies and online collaboration tools to enable new ways for employees to connect virtually and perform their roles better. Working options have been made more flexible, resulting in an increased take-up of new part-time work options and work-from-home arrangements.

Investing in health, wellbeing, and strengthening resilience
CLP provides comprehensive support for its employees' physical, social, financial and emotional wellbeing. It is working towards meeting the requirements of ISO 45003:2021 Psychological health and safety at work – Guidelines for managing psychosocial risks, as part of the Occupational Health and Safety Management System. Confidential employee assistance programmes are also offered to assist employees encountering work or personal issues and needing professional support.

In recognition of CLP's efforts in promoting employee wellbeing, CLP received various awards in Hong Kong for its programmes and for promoting happiness at work and the 2023 Wellness China Award in Mainland China for its local employee health and wellbeing programme.

Keeping everyone informed and engaged
CLP's employee relations approach focuses on establishing and maintaining strong working relationships with employees, being proactive in consulting on any workplace changes, and providing opportunities for employees to raise concerns. CLP employees have the right to join organisations and professional bodies of their choice. CLP respects and fully complies with all legal requirements with regards to union membership and collective bargaining. In Australia, CLP engages in collective bargaining with nearly 800 employees through certified enterprise bargaining agreements approved by the independent workplace relations tribunal, the Fair Work Commission. These agreements cover most terms and conditions of employment, including notice periods, provisions for consultation and dispute resolution.

CLP organised the 'Culture Jam' Programme in the third quarter of 2022 for employees in Hong Kong and Mainland China, to provide an opportunity for two-way dialogue on ways of working. Building on these efforts, Culture and Leadership Change resources have been made available to leaders and team members on the strategic context of various projects that impact culture, roadmaps and guidance to implement employee engagement activities at the local level.

Further efforts are underway to shape CLP's culture, including refreshing CLP's Value Framework. The introduction of more digitalised ways of working, new and agile office environments with tools and support for more collaborative and effective communication in the workplace, are also part of these ongoing changes. These will continue in coming years to help make CLP an even more engaged and better place to work.

Read more on CLP's refreshed Value Framework

Supporting employees and communities affected by energy transition or business restructuring
CLP provides comprehensive support to employees whose jobs are affected by business change or restructuring. Support is tailored to individual needs, and includes training and skills development, career planning, assistance in redeployment, and financial counselling. To this end, CLP has actively engaged with local stakeholders from employee representative organisations and local educational institutions to ensure that study opportunities are available to help meet the needs of its people, and the region's new and emerging industries.

Following the announcement of the 2028 closure of Yallourn Power Station in 2021, EnergyAustralia implemented the Yallourn Workforce Transition Programme to provide career transition support to employees. The comprehensive support programme includes components covering employee engagement, training, re-skilling and accreditation, financial advice, job search skills and other specialist support.

In 2023, significant efforts have been made in skills-matching with the offshore wind sector as part of EnergyAustralia's Job Upskilling and Matching Programme. The programme is designed to help Yallourn workers in finding new employment opportunities. Over 20 employees have expressed a strong interest in working at a wind farm as their first preference for jobs. Parallel initiatives have been undertaken to provide training to workers interested in exploring new careers in other areas such as teaching and nursing.

Standards and procedures

To better understand its employees' views, CLP commissions independent external consultants to conduct regular employee engagement surveys.

In Hong Kong, joint consultative committees have been established which act as an additional channel of communication between the Company and employees' representatives. Employee benefits are regularly benchmarked to ensure that appropriate remuneration packages and staff support is provided.

Case Study

CLP China won WELLNESS EMPLOYER® Award

On November 29, 2023, the 7th (2023) WELLNESS EMPLOYER® Award, jointly organised by the China Human Resources Management Research Association, the World Sustainable Development Leadership Organisation and CIIC, was announced in Beijing. CLP China won the WELLNESS EMPLOYER® Award for its CLP China Employee Health and Wellbeing Programme.

Director - Human Resources (China and Group Operations) Ms. Cynthia Lam attended the awarding ceremony and shared the strategies, systems, and practices of CLP China's Health and Wellbeing Programme. She emphasised the CLP core value "Cares for People" as the backbone for the programme design, and acknowledged the strong support from CLP China management that drove the meaningful and measurable health and wellbeing outcomes for the workforce.

CLP China has run the Health and Wellbeing programme since May 2020. Through this programme, CLP China has have provided Employee Assistance Services to approximately 700 employees in Mainland China and their immediate family members. It has included a 24/7 hotline for consultation, a monthly newsletter and a bi-monthly on-line workshop covering physical, mental, social, and financial aspects, the 4 pillars of the CLP health and wellbeing framework. Each workshop features engagement with a member of the China Executive Committee (CEC), demonstrating support for the programme and encouraging employees to lead healthy lifestyles.

Another major health and wellbeing initiative was the establishment of the China Digital Health Platform through the *Codoon* App in 2021. Through this digital platform, CLP China regularly organise individual and cross-team physical activities and competitions to encourage fitness, healthy eating habits and quality sleep. *Codoon* is a very popular digital platform among China employees providing healthy tips and connecting data, people and technology for engaging and rewarding individual health journeys. The employee participation rate is above 60%.

The Wellness Employer award not only recognises outstanding efforts and teamwork, but also encourages knowledge and experience sharing with other companies. It motivates CLP to continuously innovate and improve its programme, with the aim of building positive and healthy organisational relationships, and attracting and retaining talent.



Ms. Cynthia Lam, Director - Human Resources, CLP China shared the achievement with the China wellness team.



Cynthia was invited to deliver a sharing about the design and implementation of the CLP China Wellness programme.

Health, Safety and Environment management

Our approach

Integrating health, safety and environment (HSE) standards across the Group's businesses and processes helps CLP operate in a safe, secure and environmentally responsible manner.

GRI reference: 403-1, 403-2

CLP remains committed to continually improving its HSE performance by building capabilities and capacities to prevent harm to its people, assets and the communities in which the Group operates.

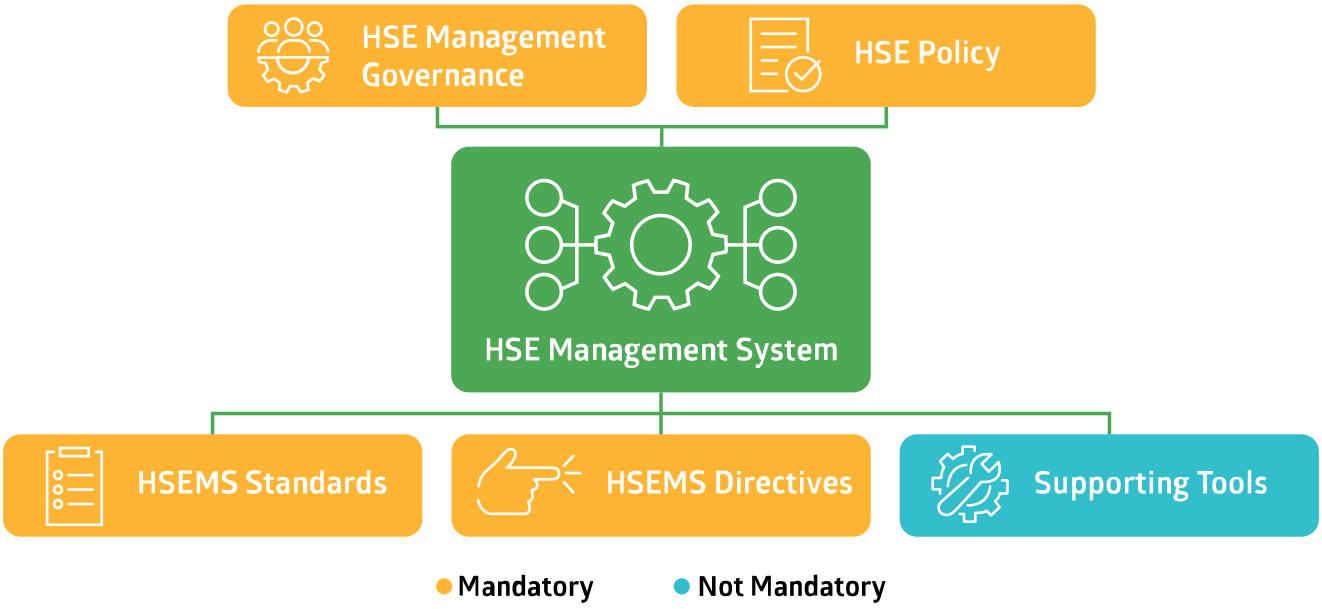
CLP has an integrated HSE Policy which in turn drives the Group's HSE Management System (HSEMS).

The CLP HSEMS covers four areas:

- Leadership and commitment;
- Planning and support;
- Operational enablers; and
- Monitoring, learning and improving.

Download the HSE Policy

HSEMS core components and relationships



The diagram shows the core components of the HSEMS and their interrelationships.

CLP's HSE Policy lays out the strategy, direction, and vision for its HSE performance. Developed in line with the HSE Policy, the HSEMS enables CLP to manage risks in a planned and systematic way while continually improving its HSE performance.

The HSEMS Standards are mandatory and assist in supporting the detailed requirements of the HSE Policy and Groupwide HSE risks. The HSEMS Directives supplement the Standards by determining how specific processes are conducted across the Group (e.g., Incident Management). The HSEMS Supporting Tools are not mandatory but provide further support or guidance on how to meet the HSEMS requirements.

The HSEMS provides:

- Clear requirements and expected outcomes based on goal-oriented risk reduction;
- Process flexibility to cope with operational diversity (e.g. size, regions, and nature of work conducted);
- Integration of the feedback loop between CLP Group requirements and work done by the frontline; and
- Less HSEMS clutter (e.g. requirements that are unnecessarily duplicated , inconsistent, or contradictory).

Download the HSEMS Standard

Download an overview of the safety and environmental management systems of CLP's assets

Strategies and procedures

To support safe operations, CLP has an HSE Improvement Strategy with clear objectives, focus areas and timelines, supported by input by HSE professionals and a suitable budget.

In line with the Group's HSE Improvement Strategy, an annual improvement programme is developed, approved and communicated to staff and contractors in each business unit. Recommendations are implemented on agreed timelines and the programme progress is monitored.

For more details, read the **Occupational health and safety section**.

Operational responsibilities

The Group Health, Safety, Security and Environment (HSSE) Committee, chaired by the CEO, has the highest executive responsibility on HSSE-related issues.

The Projects and Operations and Regional Teams (PORT) and the Global HSE Team conduct monthly and bi-monthly meetings respectively to coordinate, monitor and share knowledge and experience in HSE practices across the Group. Special focus is given to becoming a better learning organisation in order to maintain high levels of safety performance and build a solid safety culture across the Group.

In addition, various HSE committees have been established to engage with employees at the operational level, as well as project partners and contractors. HSE professionals facilitate the overall engagement efforts and advise on HSE matters, while the responsibility for implementing HSE standards rests with line management.

Hierarchy of operational responsibilities

HSSE Executive Committee	· Chaired by the CEO · Has the highest executive responsibility on HSSE-related issues
PORT and Global HSE Team	· Meet monthly and bi-monthly respectively to coordinate, monitor and share knowledge and experience · Focus on raising safety performance levels
Operational level HSE committees (employees, project partners and contractors)	· Engage with internal and external stakeholders at the operational level · Line management to implement high level HSE standards · HSE professionals to facilitate the overall engagement effort and advise on HSE matters

Occupational health and safety

Our approach

The Group-wide HSE Improvement Strategy aims to build individual, team and organisational capabilities and capacities to prevent harm to CLP's people and assets and the communities in which it operates. Using the Group-wide strategy as its base, each business unit annually develops its own HSE action plan.

GRI reference: 403-1, 403-2, 403-3, 403-5, 403-7, 403-8

The CLP Group's HSE Improvement Strategy in 2023 was organised based on five pillars.

- Building capabilities;
- Rethinking risk;
- Involving stakeholders;
- Maintaining a healthy and engaged workforce; and
- Ensuring environmental sustainability.

Each pillar emphasises a key principle of effective HSE management. The strategy is designed to enrich the Group's safety culture across its operations in all operating regions, promote more proactive risk management, and engage employees, contractors and other key stakeholders to collectively implement changes that could improve safety performance. There is a strong theme of becoming a better operational learning organisation.

In 2024 commencement of the development of a new Group HSE Improvement Strategy will be undertaken. This will replace the improvement strategy currently being executed and will build on capabilities gained from previous years.

Goals and targets

CLP is committed to ensuring all its activities and operations focus on the elimination of fatalities, life-altering injuries, and the occurrence of significant HSE events.

Monitoring and follow-up

CLP's HSE Performance Monitoring and Reporting Standard contains the safety performance indicators and the requirements for safety data reporting used by the Group. The safety performance indicators identify trends as well as areas which require attention. CLP has also used targeted engagements and worker insights to help develop comprehensive and effective incident prevention interventions.

Safety performance is reported internally every month. Safety performance data and associated insights are collected and presented in the monthly and bi-monthly meetings of the PORT and the Global HSE Team. These are also reported on a quarterly basis to the Group HSSE Committee, chaired by the CEO.

CLP's HSE Incident Investigation and Reporting Standard sets out the standard for implementing and maintaining a safety incident management system across the Group. In the event of a major incident, the CLP Group Incident Investigation Panel (IIP) is provided with the output investigation provided in line with the Investigation Report Format Standard. The IIP, chaired by senior members of staff from outside the business unit in which the accident occurred, conducts a thorough investigation to identify factors contributing to the incident and actions required to prevent a recurrence. The IIP's reports are reviewed by the Group Chief Operating Officer and the regional Managing Director.

Training and awareness

Personnel are only asked to do work in roles for which they are deemed capable and competent, based on careful selection, placement, training, ongoing competency assessment and authorisation of employees, and third-party independent assessment where appropriate. A process is in place to deliver training to ensure individuals understand the hazards, risks and control measures associated with their work.

At the asset level, there is flexibility to structure health and safety measures and design more specific relevant training. This includes monitoring the percentage of contractors who have undertaken training. Safety training requirements are included in all contracts, and all contractors are expected to undergo safety training relevant to their duties. Spot checks are conducted to ensure compliance.

Continuous improvement

Thorough investigations are conducted into all incidents that cause or have the potential to cause serious injuries. In 2023 CLP began the process of evaluating its current incident investigation methodology to help further support both better investigations and identify systemic related opportunities for improvement, in line with its adoption of a human and organisational performance focus. The chosen methodology is the TapRooT® Root Cause Analysis which will be implemented (including the patented software system) in CLP's overall HSE data capture system. Personnel required to conduct investigations will go through new training in 2024 to support the revised approach. The aim is to move beyond simply looking at human error as a cause, and to understand the more complex latent conditions within the systems where people operate in that contribute to incidents. CLP is committed

to understanding how decisions and actions are made by employees at a particular point in time in their work, by understanding the context which our people operate. CLP is committed to learning from those closest to the work, to understand its challenges and identify practical improvement opportunities. The Group believes that by harnessing frontline knowledge, CLP will not only get better solutions, but also foster an environment of ownership from its people who perform the work.

To find new and better ways of working by learning from investigations into incidents, in 2023 CLP continued the "Risk – Gravitational Energy" campaign at its operations. This has the express goal of reducing activities where gravity may cause injuries, for instance when working at heights or where objects have the potential to fall. Business units focused on learning from normal work in a proactive way rather than waiting for an event to occur before learning. In this way, CLP is making a fundamental shift in approach by utilising learning teams in work streams where no injury event has actually occurred. In 2023, once again there was a CEO Award at its annual event which recognises work done in materially reducing exposure to gravitational energy.

Major progress has been made both by adopting technology and redesigning systems work approaches. For example, CLP China introduced robots to clean, polish and repaint wind turbine towers in two of its sub-regions. Such an initiative eliminates the fall from height risk presented by manual painting, with and the additional benefit of being able to conduct works without operational interruptions. Not only does this have a significant safety impact in reducing CLP's exposure hours to gravitational energy, but it also delivers an efficiency improvement in cost and schedule.

CLP Power also introduced the Mobile 360 Forklift Safety System which both a configurable warning alarm & critical zones detection for pedestrian alerts and offers operator assistance for distracted driving, drowsiness, smartphone usage, smoking and seat belts. The Group continues to focus on digital and technology-based opportunities to assist its people in performing their daily work safely.

Read the case study on how robots help to eliminate driving risks

Initiatives and progress

It is a matter of profound regret that Apraava reported a fatality in the first half of 2023. The fatal incident involved a contractor at Apraava Energy's Sidhpur wind farm in Gujarat state. CLP is deeply saddened by the incident, which occurred in May, and Apraava Energy has taken measures to improve safety by examining the incident to manage and reduce critical risks in future.

SASB reference: IF-EU-320a.1; GRI reference: 403-4, 403-5, 403-6, 403-9, 403-10, EU17, EU18

The key safety metrics are summarised in the table below.

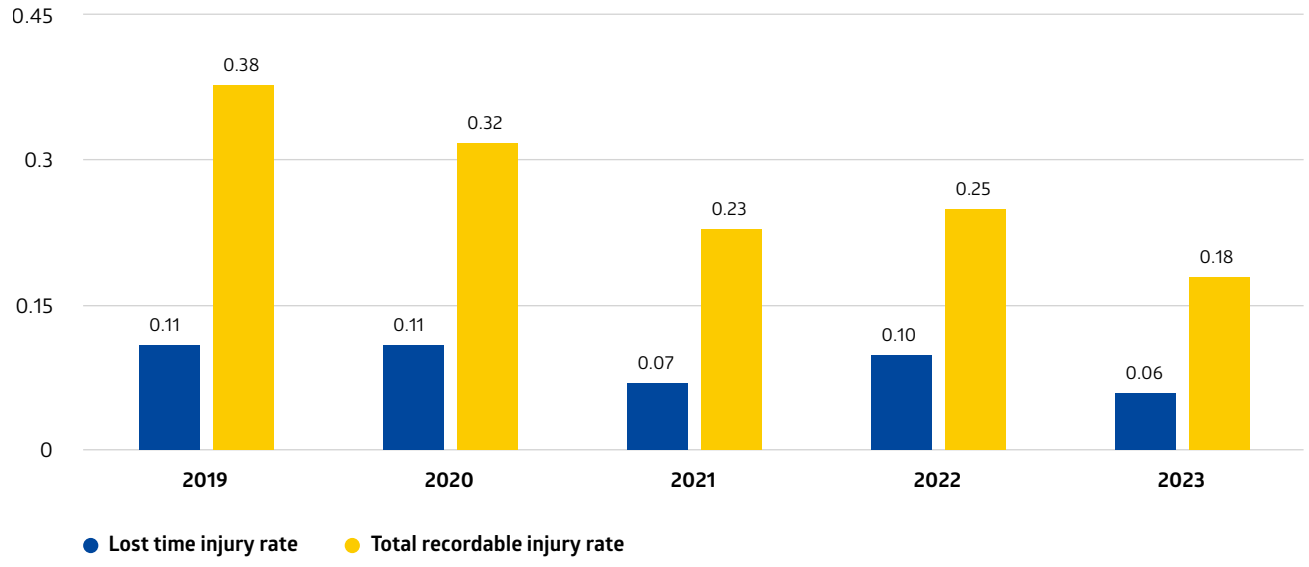
Regional safety performance [1](employees/contractors)

	Hong Kong[2]	Mainland China	Australia	Total[3]	Employees and contractors combined[3]
Fatalities (number)	0/0	0/0	0/0	0/0	0
Fatality rate (number per 200,000 work hours)	0.00/0.00	0.00/0.00	0.00/0.00	0.00/0.00	0.00
Days away from work injuries (number of personnel)	1/5	0/0	1/3	2/8	10
Lost time injury rate (number per 200,000 work hours)	0.02/0.07	0.00/0.00	0.05/0.19	0.03/0.09	0.06
High-consequence injuries (number of personnel)	0/0	0/0	0/1	0/1	1
Total recordable injury rate (number per 200,000 work hours)	0.11/0.15	0.00/0.00	0.19/0.64	0.13/0.22	0.18
Work-related ill health (number of personnel) – employees only	0	0	3	3	3
Lost days (number) – employees only	8	0	117	125	125

1 The LTIR and TRIR figures are for work-related injuries only (excluding work-related ill health and commuting related injuries), in line with requirements of Global Reporting Initiative. There were three work-related ill health (employee only) and two commuting related injuries (employee and contractor combined) in 2023.
2 Hong Kong includes all staff from CLP Power Limited, CLP*e* Holdings and CLP Holdings because of the change of CLP's organisational structure.
3 Apraava Energy ceased to be a subsidiary and is now accounted for as a joint venture. Apraava Energy is excluded in the figures for 2023, but included in figures for 2022 and prior years. Moreover, in November 2022, CLP sold its 70% interest in the coal-fired Fanchanggang Power Station, which has been excluded from CLP's reporting scope since then.

Lost time injury rate and total recordable injury rate of CLP Group (employees and contractors combined)

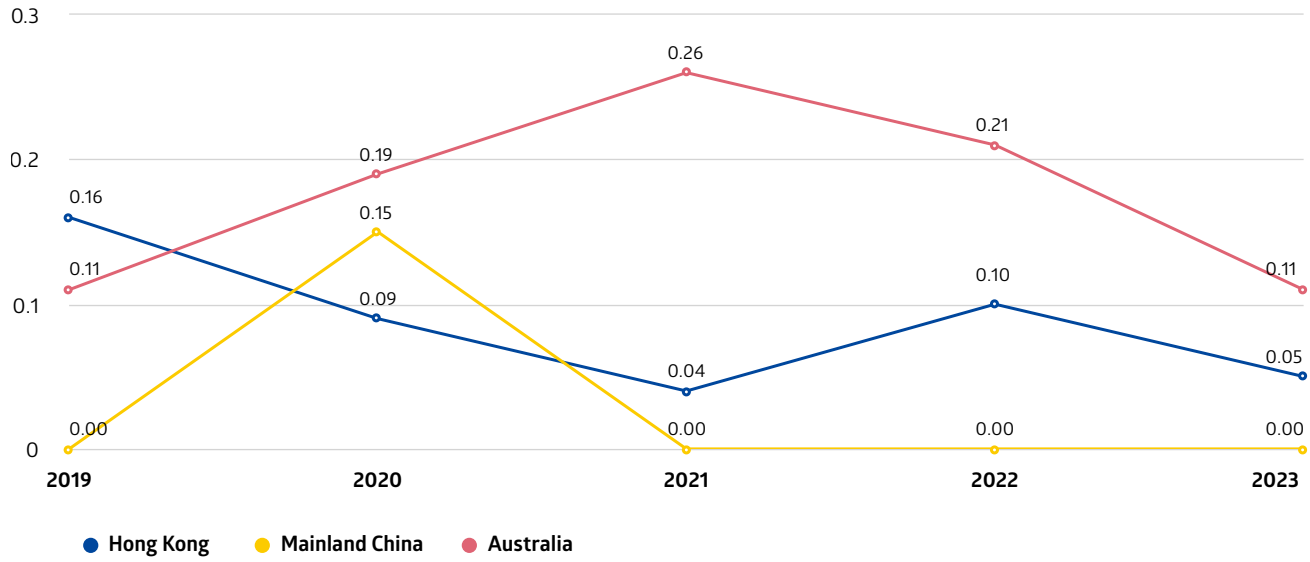
Both the lost time injury rate (LTIR) and total recordable injury rate (TRIR) decreased in 2023. Primarily the reduction in incidents for both CLP Power and Energy Australia are the key drivers for the overall rates. Both business units implemented a range of initiatives focused on issues such as assurance and inspection, stakeholder engagement, key critical risk areas and improved wellness offerings. Additionally, Apraava data is no longer captured and does not feature in the 2023 group statistics.



1 All rates are normalised to 200,000 worked hours, which approximately equals to the number of hours worked by 100 people in one year.

Lost time injury rate (LTIR) by region (employees and contractors combined)

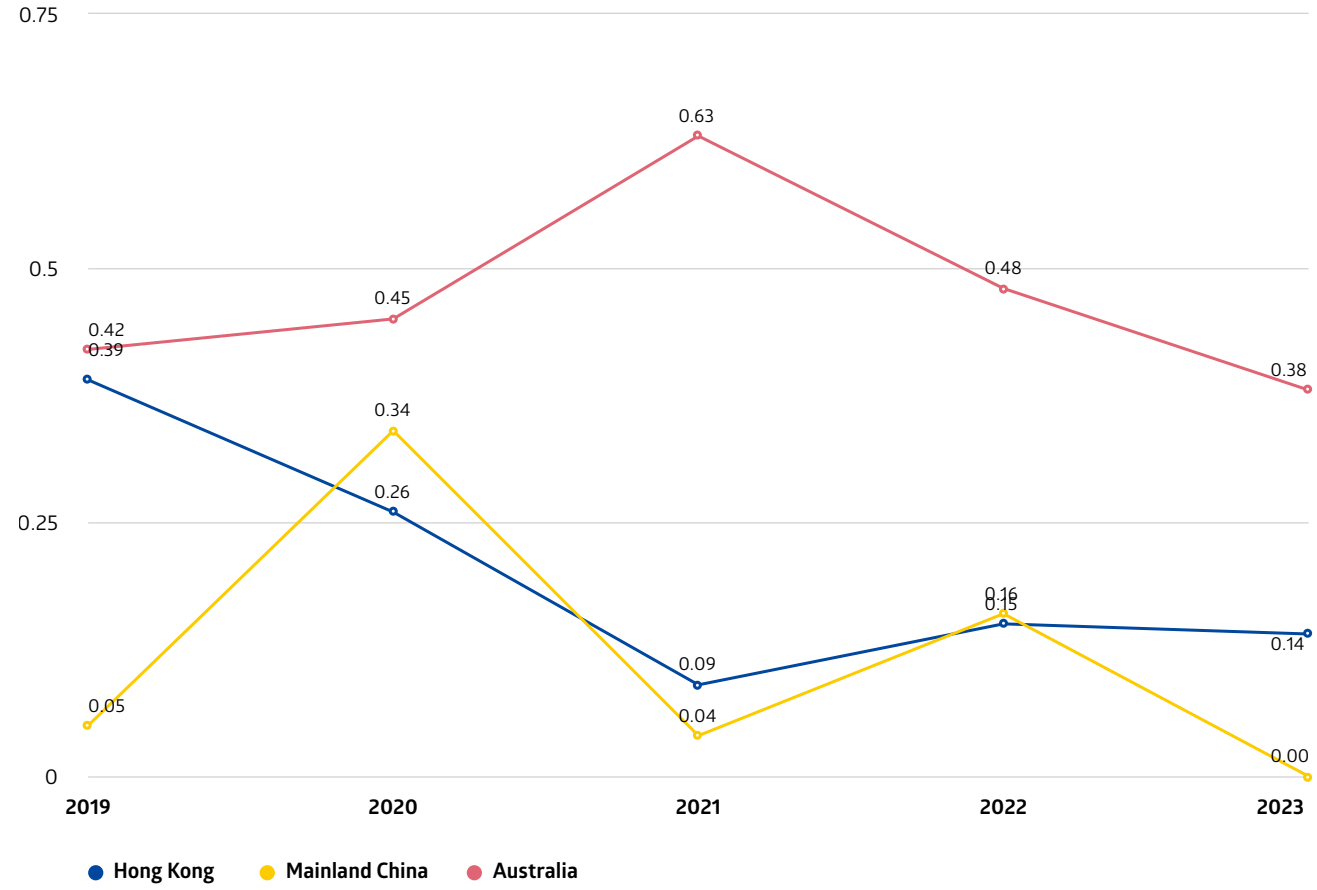
The LTIR decreased in 2023 for all regions.



1 All rates are normalised to 200,000 worked hours, which approximately equals to the number of hours worked by 100 people in one year.

Total recordable injury rate (TRIR) by region (employees and contractors combined)

The TRIRs for all regions decreased in 2023.



1 All rates are normalised to 200,000 worked hours, which approximately equals to the number of hours worked by 100 people in one year.