CLP 中電

Together for Sustainability, Powering Tomorrow



2024

Sustainability Report

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Our Nature strategy

CLP's nature-related strategy is an integral part of the environmental aspects within the CLP Group 2025-2027 HSE Strategy. This strategy aims to establish a more holistic approach to the management of nature-related matters, one that goes beyond mere compliance with existing environmental regulations. Incremental steps have been taken to advance the understanding of the relationship between nature and the Group's business, and to continue to evolve corresponding management measures and create a roadmap. By embracing this enhanced approach to nature, CLP is aims to effectively address the increasing interest from investors and other stakeholders in how businesses are integrating nature into their corporate strategy.

Focus areas for the nature-related strategy

CLP's nature-related strategy encompasses three focus areas, namely biodiversity conservation, circular economy transition and the reduction of environmental discharges. It aims at ensuring an understanding of these critical nature-related matters is well incorporated into CLP's governance, risk management and decision-making processes.

Biodiversity	Biodiversity conservation creates positive impacts on ecosystem services that benefit local economies amongst other areas. CLP strives to preserve natural resources by integrating the latest external guidance and findings from ongoing internal assessments. The insights will then help CLP to refine its approach to achieve the goal of "no net loss of biodiversity" and develop a suitable strategy and roadmap. To manage this matter holistically, CLP is in the transitional phase of adopting and refining nature-related frameworks, making reference to the recent sectoral guidance from the TNFD. Read more in the Biodiversity and ecosystem section.
Circular Economy	CLP is dedicated to driving the transition towards a circular economy, recognising its ability to address resources and pollution challenges from a life cycle perspective, outcomes which are also highly relevant to climate change and biodiversity conservation. As part of its transitional plan, CLP is actively engaging and partnering with stakeholders to integrate circular economy principles throughout its operations and value chain. Read more in the Waste management and material use section.
Reducing Pollution	CLP strives not only to comply with regulatory requirements but to go beyond compliance in minimising its environmental impacts by the careful management of its air emissions, water use and waste generated during its operations. Read more in the Air emissions, Waste management and material use and Water sections.

Commencing nature-related assessment

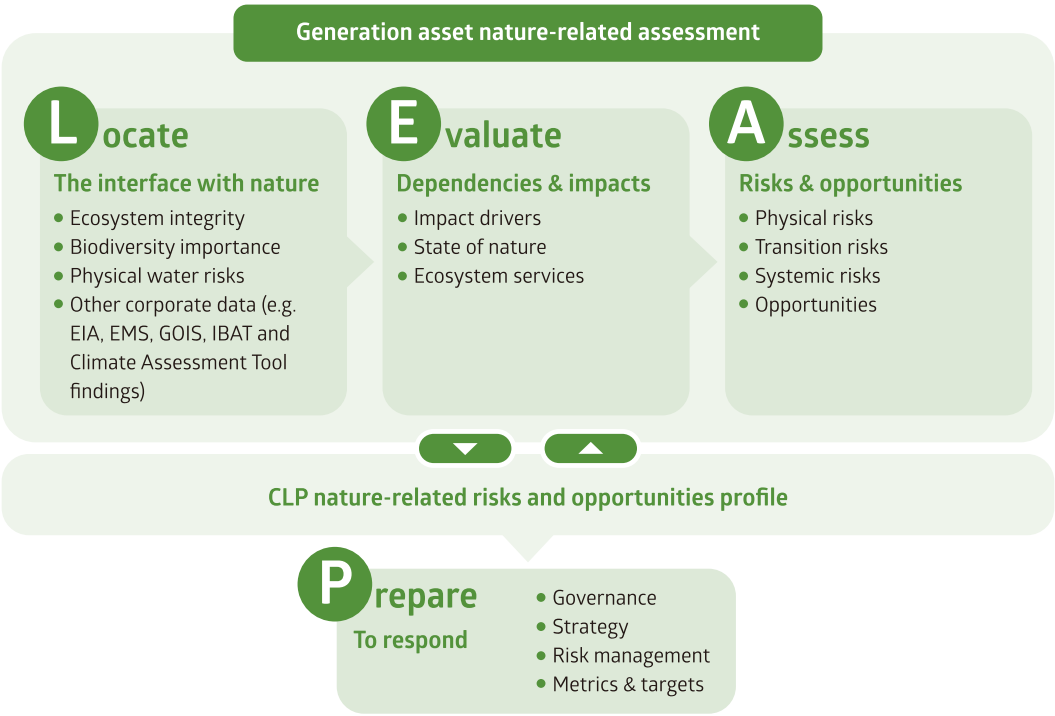
The initial biodiversity sensitive area analysis, which leveraged the IBAT and Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tools and referenced the Roadmaps to Nature Positive by World Business Council for Sustainable Development ("WBCSD"), was conducted in 2023.

In 2024, the SEC endorsed the Nature Plan 2024, which included the establishment of an internal taskforce to implement pilot nature-related assessments.

The 2024 pilot nature-related assessments focused on pilot programmes that adopt the iterative LEAP approach, referencing the sector-specific guidance for electric utilities and power generators issued by TNFD in June 2024. The results of these pilot programmes support the development of the CLP nature-related risks and opportunities profile.

Assets selected for the pilot programmes in 2024 were based on findings from initial biodiversity sensitive area analysis in 2023. These assets were either located in close proximity of the key biodiversity-sensitive areas or potentially had nature dependencies or impacts. These pilot programmes followed the LEAP approach below:

CLP's approach to nature-related assessment



At the "Locate" stage, location-specific information was consolidated to analyse the condition of CLP's assets. This included results from Integrated Biodiversity Assessment Tool (IBAT), Climate Assessment Tool, Environmental Impact Assessment (EIA) reports, Environmental Management Systems (EMS), Group Operations Information System (GOIS) and meteorological data as well as observations from CLP's assets.

Moving to the "Evaluate" stage, a list of ecosystem services dependencies and impact drivers on nature for the respective assets were compiled. Each was assigned a materiality rating, making reference to the ENCORE database and the findings from the "Locate" stage.

Subsequently, at the "Assess" stage, asset-specific risks were further derived based on associated dependencies and impact drivers with a higher materiality rating, which were then categorised into physical, transition and systemic risks. Each risk category was rated for prioritisation, and efforts made to identify opportunities where possible and applicable. Through applying asset-specific information during the iterative LEAP process, insights were gained to support the development of the LEAP process specific to CLP.

Outcome and way forward

The findings of these pilots are serving as a reference for validating the methodologies being used in the nature-related assessments of other assets. While it is a time-consuming process to comprehensively assess nature-related dependencies, impacts, risks and opportunities, the findings from these asset-level nature-related assessments will be consolidated into CLP's corporate-level nature-related risk profile, and the associated risks and opportunities reviewed. This will help CLP to prioritise the actions needed to avoid or reduce negative impacts, and to promote opportunities to restore the natural environment.

The insights derived from the pilot programmes have also been integrated into the CLP Group 2025-27 HSE Strategy, strengthening CLP's readiness to address nature-related risks and opportunities. Following the pilot assessments, the use of IBAT during the project inception stage became an established practice in 2024 to avoid biodiversity-sensitive investment projects and minimise nature-related risks. A review of the environmental management systems of CLP's operationally controlled assets has begun which includes its nature-related issues. The significant environmental aspect registers of CLP Power's Generation Business Unit for operation and maintenance activities were reviewed to include nature-related impact drivers and dependencies, along with associated mitigation measures, in 2024. Additionally, in 2024, EnergyAustralia announced that it will be an adopter of TNFD.

Developing a framework for integrating circular economy principles into operations

CLP is striving to transit towards a Circular Economy (CE) to minimise materials use and waste disposal, as well as to address waste and pollution matters.

Following the formation of the CLP Group Circular Economy Steering Committee in 2023, a comprehensive CE Strategy was developed, encompassing the three pillars of Circular Design and Input, Circular Use and Value Recovery.

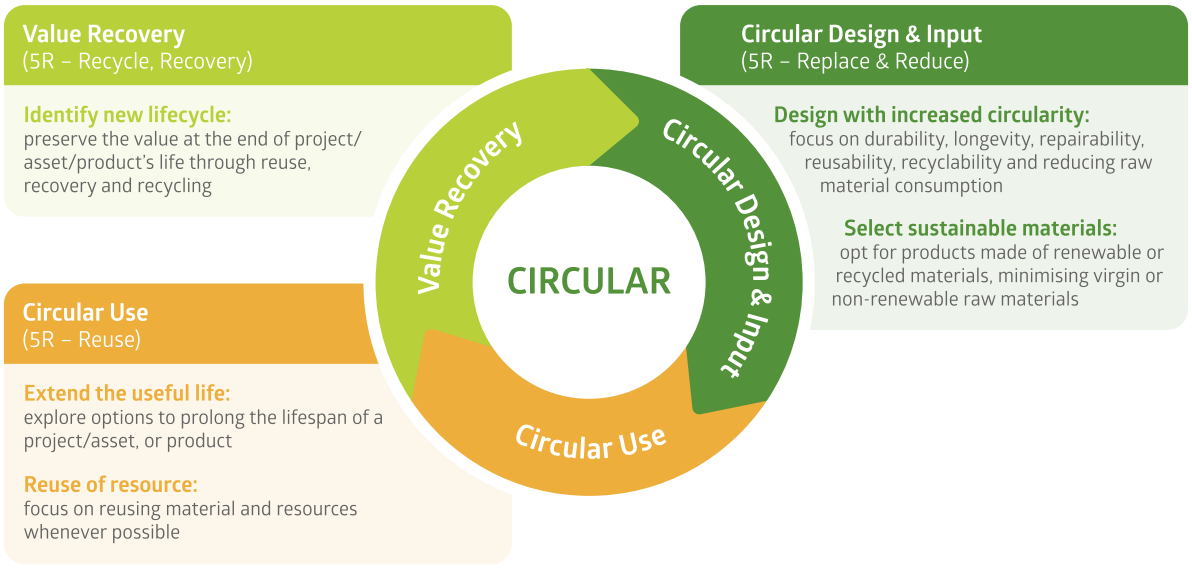
The three pillars of CLP's CE strategy represent a comprehensive framework under which CE concepts can be integrated into CLP's operations. The CE Strategy is also applicable at every stage of the project and asset lifecycle, presenting opportunities to enhance circularity throughout all phases of operations.

A CE baseline survey has been conducted across CLP's operationally controlled assets to identify CE-related initiatives and programmes currently being implemented. At the end of 2024, a CLP Group implementation guideline was also issued to support the execution of the CE strategy within its operations, and to foster further CE initiatives.

CE-related knowledge and messages are communicated through internal broadcasts and via the business communication platform on a monthly basis, to help foster a CE-centric culture and enhance CLP staff engagement.

For details on CE-related initiatives and programmes in 2024, please refer to the Waste management and material use section.

Circular Economy (CE) framework



Going beyond compliance goals to reduce environmental discharges

To achieve an environmental performance that goes beyond regulatory compliance, CLP tracks its progress towards medium- and long-term improvement goals by setting environmental targets for 2025 and 2030.

These targets cover air emissions (sulphur dioxide, nitrogen oxides and total particulate matter), freshwater consumption and waste generation for all its operationally controlled assets.

The current targets were formulated based on the environmental target-setting methodology reviewed in 2023, and are focused on analysing performance in terms of reducing environmental discharges. For details, please refer to the Air emissions, Water and Waste management and material use sections.