CLP 中電

Together for Sustainability, Powering Tomorrow



2024

Sustainability Report

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How Nature is governed at CLP

Under CLP's robust governance structure, top management are committed to managing nature-related impacts, risks and opportunities effectively. The Group clearly defines the relevant roles and responsibilities and has informed decision-making processes in place, all designed to uphold accountability and transparency. These allow CLP to proactively identify, assess and manage the risks and opportunities related to biodiversity conservation, the circular economy and environmental discharges.

Nature-related commitments

CLP strives to preserve and enhance natural resources and foster biodiversity.

CLP recognises the responsibility it has to minimise the environmental impacts of its operations. Its care for the environment is clearly laid out in the Group's Health, Safety and Environment (HSE) Policy, which requires CLP to:

- Protect the environment including the prevention of pollution and minimise the risk of environmental incidents;
- Strive to use resources including water and energy efficiently and minimise emissions, discharges and waste; and
- Minimise any adverse impacts of its operations on biodiversity by protecting endangered fauna and flora and promoting ecological conservation.

Learn more about the CLP Group HSE Policy

CLP is committed to conserving biodiversity as part of its environmental responsibilities. Recognising increasing global biodiversity loss, CLP is refining its approach to achieve the goal of "no net loss of biodiversity" to accomodate the evolving nature-related landscape. The Group has undertaken a range of initiatives that are demonstrating its commitment to safeguarding habitat quality and preserving the biodiversity of specific ecosystems in the regions where it operates.

Governance of nature-related matters

The sustainability principles that are integrated into CLP's business strategy and corporate governance cover the oversight and governance of nature-related matters, and a commitment to protecting the environment.

This approach ensures that nature-related and sustainability matters are an integral part of the Group's corporate agenda. As part of the Group's overall sustainability management, the Board-level Sustainability Committee (SusCom) maintains oversight of nature-related impacts, risks and opportunities and has a role in evaluating the adequacy and effectiveness of CLP's Health, Safety and Environment (HSE) Governance Framework and HSE Management System, supported by the CLP Group Health, Safety, Security and Environment (HSSE) Executive Committee.

Board and management oversight

SusCom and the Sustainability Executive Committee (SEC) hold the primary responsibility for overseeing the management of the Group's sustainability performance, including nature-related matters. For their roles and responsibilities as well as details of the key nature-related agenda discussed in 2024, please refer to the Sustainability Governance section.

Under the Board's oversight, the CLP Group CEO has ultimate accountability for reporting the performance and governance of HSE management to SusCom, while the authority for day-to-day decision-making on HSE governance and assurance matters across CLP is delegated to the Group COO. The CLP Group HSSE Executive Committee, also chaired by the CEO, appoints senior executives to review and evaluate CLP's overall governance, strategy, performance and assurance in Health, Safety, Security & Environment. In 2024, this committee endorsed the CLP Group 2025-2027 HSE Strategy, which reaffirms CLP's nature-related agenda, including the refinement of its risk management process with reference to the TNFD.

Development and implementation of nature-related strategies, policies and goals

The Group HSE Department is responsible for providing expert advice on environmental matters, ensuring timely reporting and coordinating the implementation of the environmental aspects within the CLP Group HSE Strategy.

It is also responsible for defining appropriate environmental standards for the Group's operations and driving continuous improvement. In implementing these goals, it works closely with different business units to ensure that relevant environmental standards and policies are properly applied and that improvement strategies are being effectively implemented across and embedded in CLP. In coordinating with different business units, it is driving continual improvement of the ISO 14001 environmental management system in ways that go beyond compliance, and enhancing existing environmental evaluation criteria throughout the value chain for procurement and tender specifications.

Various cross-functional working groups have also been established to manage environmental and nature-related initiatives. Their work includes reviewing and refining nature-related frameworks, undertaking the first stage of corporate-level nature-related assessments, developing and implementing circular economy strategies and plans and setting out medium- and long-term environmental targets.

Monitoring and compliance of emissions and other nature-related regulations

HKFRS S2/SASB reference: IF-EU-140a.2; GRI reference: 2-27, 201-1, 306-3 (2016)

CLP's business processes and practices support its endeavours to maintain full compliance with applicable emissions and other nature-related laws and regulations in the jurisdictions in which it operates.

Established processes are in place to ensure CLP understands the relevant emissions and other nature-related laws and regulations relating to its new investments, and also stays abreast of any updates to existing regulations and emerging legislation in this field. Where compliance with new laws and regulations requires a transitional period, CLP will work transparently with regulators where appropriate as it establishes its business practices and makes the investments necessary to satisfy the new requirements.

CLP closely monitors developments in emissions and other nature-related regulatory requirements. New and/or amended laws and regulations that emerged in 2024 that had or may have a significant impact on CLP's business units are listed below.

Hong Kong	• The emission allowances for CLP's power plants have been progressively tightened over time through the Technical Memorandums (TM) of the Air Pollution Control Ordinance. In 2024, a new set of emission caps mandated CLP Power Hong Kong Limited (CLP Power) to further reduce the emissions of sulphur dioxide (SO_2), nitrogen oxides (NO_x) and respiratory suspended particulates (RSP) by 26% to 49% compared with 2022 levels. CLP Power successfully achieved full compliance in 2024. Discussion with the Hong Kong SAR Government on the review of the latest TM is underway, with the new 2030 emissions caps expected to be announced in 2025.
India	• On 1 January 2024, the Ministry of Environment, Forest and Climate Change (MOEF&CC) issued an amendment to the 2021 Notification on Ash Utilisation, mandating coal and lignite-based thermal power plants in India to allocate a portion of their ash supply to micro and small enterprises involved in ash-based product manufacturing. Following this, the Ministry of Power released a revised Procedure for Disposal of Ash on 15 March 2024. These changes aim to enhance ash utilisation and support small enterprises. For Jhajjar Power Limited (JPL), this amendment requires entering into agreements for the sale of fly ash through competitive bidding, adhering to specific pricing requirements and annually appointing a panel of transportation agencies via a competitive bidding process. • In 2024, a phasing plan was notified by the Authority for the implementation of the Central Electricity Authority (Flexible Operation of Coal based Thermal Power Generating Units) Regulations issued in 2023. These Regulations are applicable to Jhajjar Power Station, and involve different requirements having to be met by 2024, 2028 and 2029. Jhajjar Power Station is capable of operating at the power level required by the regulations by 2024 although it must also follow the schedule of the Haryana State Load Despatch Centre (SLDC). Apraava Energy has communicated challenges it is facing as a result of these regulations to the Central Electricity Regulatory Commission (CERC), specifically concerning the schedule set by the SLDC. Apraava Energy will further determine the necessary modifications and investments required for Jhajjar Power Station to achieve compliance by 2028 and 2029. • On 29 November 2024, CERC issued a revision to the Flue Gas De-sulphurisation (FGD) Compensation Order which updated the applicable norms for determining the compensation towards Operations and Maintenance (O&M) expenses incurred towards running FGD units by coal-based thermal power plants. The revision will have a financial impact on the compensation to be received by JPL towards its O&M costs for running of the FGD unit.
Taiwan	• Further to the Climate Change Response Act promulgated in 2023, the Ministry of Environment announced three more regulations in relation to the carbon fee mechanism in August 2024, including the Regulations Governing the Collection of Carbon Fees, the Designated Greenhouse Gas Reduction Goals for Entities Subject to Carbon Fees and the Regulations for Administration of Self-Determined Reduction Plans. Additionally, the Ministry announced the carbon fee charging rates in October 2024. These rates will come into effect on 1 January 2025, with fee collection commencing in 2026. The anticipated financial impact on Ho-Ping is currently estimated at NT$200 million annually, with approximately HK$10 million per year falling under CLP's share.

Emissions and other nature-related regulatory non-compliance and licence exceedances

	2024	2023	2022	2021	2020
Environmental regulatory non-compliances resulting in fines or prosecutions (number)[1]	**0**	0	0	0	0
Environmental licence limit exceedances & other non-compliances (number)[1]	**5**	5	6	5	4

1 Numbers include operating assets where CLP has operational control during the calendar year.

In 2024, all five emissions and other nature-related breaches, none of which resulted in any prosecution or fines, were recorded by EnergyAustralia:

- One related to a short-term carbon monoxide (CO) licence limit exceedance at Jeeralang Power Station during low-load operations. It was reported to the local Authority and no further regulatory action was taken.
- Another breach related to an administrative licence breach by the Yallourn Coal Mine due to the delayed publication of the Yallourn Mine Offset Management Plan online. This was reported to the local Authority, and no further regulatory action was taken.
- The third breach related to a failure to fulfil the licence requirement regarding emissions calculation methodology at Tallawarra B Power Station as the data collected for emissions calculation was invalid due to a defect in the measurement equipment. This was reported to the Environmental Protection Agency (EPA) and its consent was obtained to apply alternative methodologies for emissions calculation until the issue is rectified. No further regulatory action was taken.
- The fourth breach related to a Total Organic Carbon (TOC) licence limit exceedance at Newport Power Station's drain. The TOC exceedance at the drain was suspected to be caused by algae in the sample, which was not related to discharges from Newport Power Station. It was reported to the local Authority, and no further regulatory action was taken.
- The final breach related to a technical non-compliance caused by a contractor undertaking depositional dust monitoring at PineDale mine for Mount Piper Power Station. It was reported to the regulatory authority, and no further regulatory action was taken.