2025
Sustainability Report

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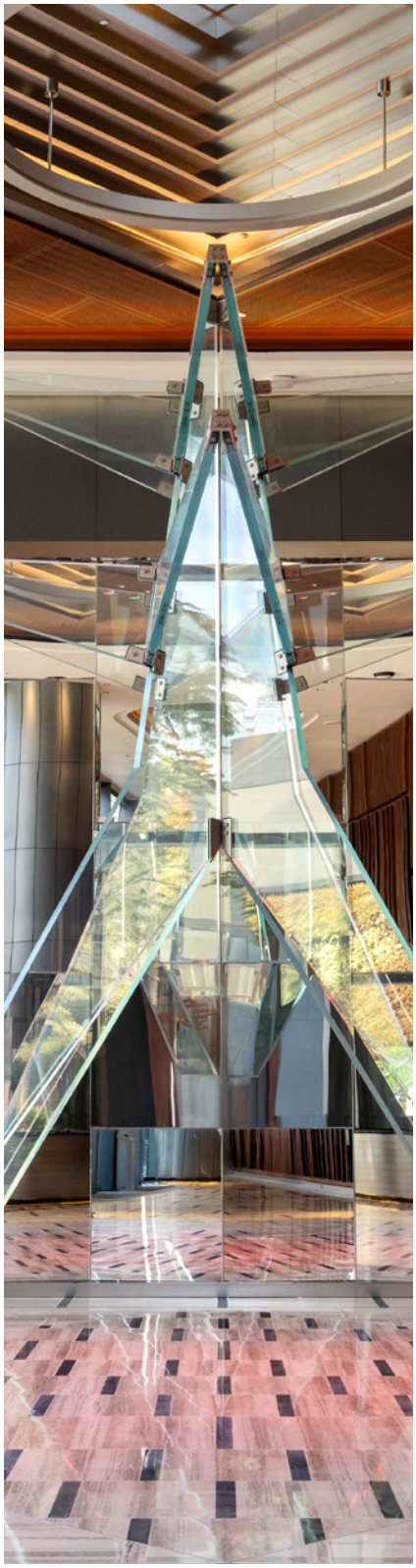
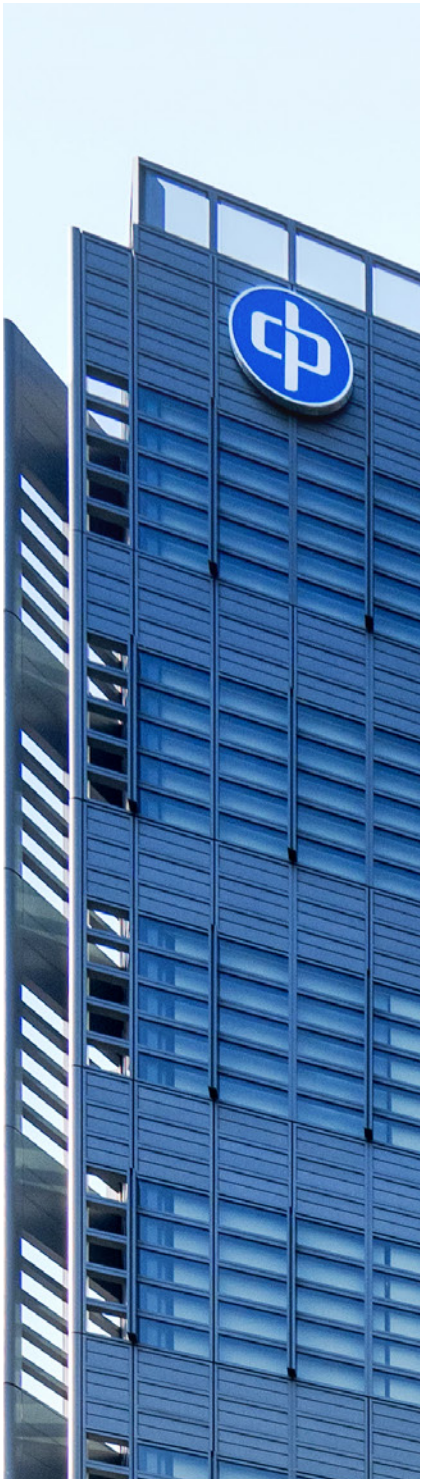
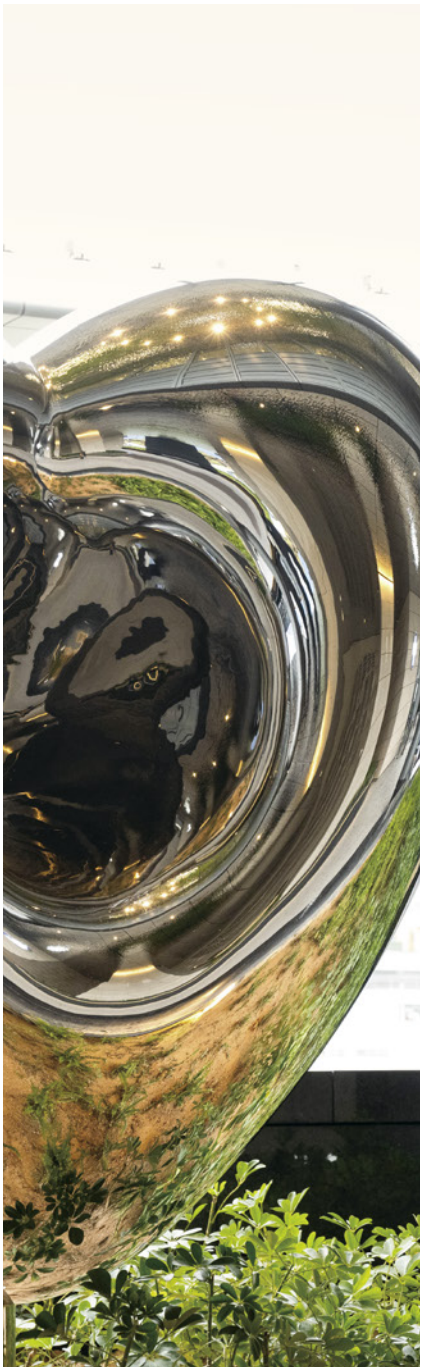
Power Brighter Tomorrows







CLP's nature-related strategy

CLP's nature-related strategy forms an integral part of the environmental aspects of the CLP Group's 2025-2027 HSE Strategy. It aims to establish a holistic approach to the management of nature-related matters, one that goes beyond mere compliance with existing emissions and other nature-related laws and regulations. In this way, CLP is responding to increasing interest by 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 has three focus areas, namely biodiversity conservation, Circular Economy (CE) transition and the reduction of environmental discharges. CLP aims at incorporating these critical nature-related matters into its governance, risk management and decision-making processes.

Biodiversity	Biodiversity conservation has a positive impact on ecosystem services, benefitting local economies among other things. By integrating the latest external guidance and findings from ongoing internal assessments, CLP is refining its approach with the aim of achieving the goal of "no net loss of biodiversity" by developing a suitable strategy and roadmap. CLP is currently in the transitional phase of adopting and refining its nature-related frameworks, with a focus on new investment projects, making reference to the sectoral guidance from the TNFD. Read more in the Biodiversity and ecosystem section.
Circular Economy (CE)	CLP is dedicated to driving the transition towards a CE, recognising its ability to address challenges relating to resources and pollution from a life cycle perspective, in steps that are also relevant to climate change and biodiversity conservation. As part of its transitional plan, CLP is engaging and partnering with stakeholders to implement its CE Strategy throughout its operations and value chain. Read more in the Waste management and materials use section.
Reducing Pollution	CLP strives to go beyond compliance with regulatory requirements in minimising its environmental impacts, by the careful management of the air emissions, water use and waste generated during its operations. Read more in the Air emissions, Waste management and material uses and Water sections.

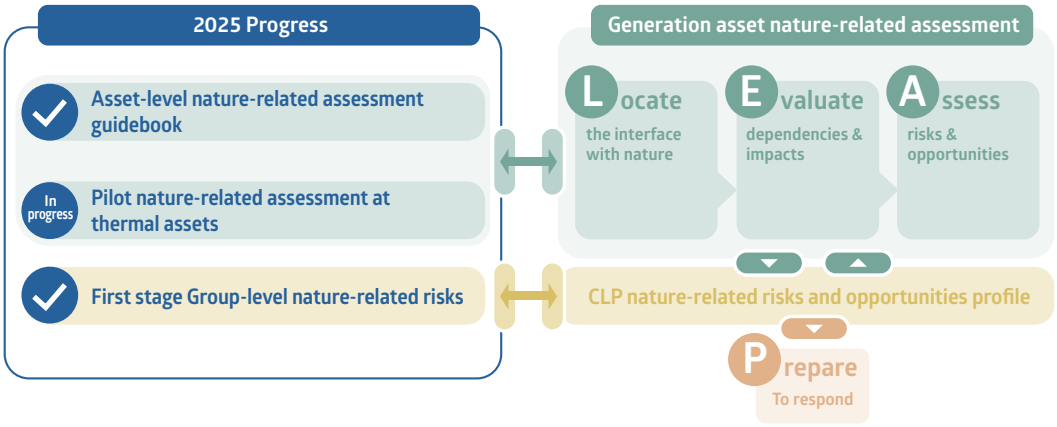
Nature-related assessment

CLP has been evolving its nature-related assessment approach since 2023.

Following the initial biodiversity sensitive area analysis conducted in 2023, the SEC endorsed the Nature Plan, including the establishment of an internal taskforce, the implementation approach, and the outcomes of pilot nature-related assessments that adopted an interactive LEAP approach in 2024. These pilot nature-related assessments also utilised the widely recognised Integrated Biodiversity Assessment Tool (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), where applicable.

In 2025, CLP further advanced its nature-related initiatives for both existing assets and new investment projects, as outlined below.

CLP's approach to nature-related assessment and 2025 progress



Drawing on experience gained from the first pilot nature-related assessment in 2024, an asset-level guideline for assessing nature-related risks and opportunities was established in 2025. During the year, one thermal generation asset applied this guideline and commenced a further pilot nature-related assessment, adding to CLP's nature-related risk and opportunity profile.

CLP is also strengthening its approach to identifying exposure to significant biodiversity risks in its new investment projects, to achieve the goal of 'no net loss of biodiversity'. The scope and level of commitment for this approach are currently being finalised.

Outcome and way forward

The findings from these asset-level nature-related assessments are being consolidated into CLP's Group-level nature-related risk profile, and the associated risks and opportunities reviewed accordingly. Insights gained from the pilot assessments have also been integrated into the CLP Group 2025-27 HSE Strategy. Finalising the scope and commitment of the applicable investment projects will also support the early identification of potential biodiversity risks.

A full-scale assessment of nature-related dependencies, impacts, risks, and opportunities is more than just a one-off exercise. CLP's iterative approach forms part of its enduring commitment to nature stewardship, enabling it to prioritise measures that help avoid or mitigate negative impacts and create opportunities for restoring the natural environment. It also supports CLP's efforts to develop relevant roadmaps for the next stage of its nature-related initiatives.

Framework for implementing the Circular Economy Strategy in operations

CLP continued to implement its Circular Economy (CE) Strategy, which involves minimising materials consumption and waste generation, and addressing waste and pollution matters. Following CLP's development of the CE Strategy and Implementation Guidebook in 2024, a comprehensive implementation framework consisting of six core elements was developed to promote CE adoption across CLP.

In 2025, CLP furthered its efforts to implement its CE Strategy throughout its operations. In addition to ongoing internal communications via broadcasts and the e-communication platform, CE-related webinars were shared with employees. A series of roadshows were held at major Hong Kong offices to engage employees and enhance their awareness of CE practices. For further information on implementing the CE Strategy in CLP's sustainable procurement practices, please refer to the Case Study: Advancing circularity in CLP procurement.

As CLP prepares to decommission coal-fired power plants as part of its energy transition, the Company recognises the need to identify CE opportunities in the decommissioning and demolition process. A CE study was kick-started at the end of 2025 to develop an effective approach to identify opportunities to implement the CLP's CE Strategy in the process for retiring coal-fired power plants.

For details on CE-related initiatives and programmes in 2025, please refer to the Waste management and materials use section.

Circular Economy (CE) implementation framework

Going beyond compliance goals to reduce environmental discharges

With the goal of taking CLP beyond regulatory compliance, the Group reviewed and updated its environmental targets in 2023, adding ambitious new goals that align with its broader decarbonisation strategy.

These targets have been calibrated to reflect the decline of coal-fired power in CLP's asset portfolio, and to reaffirm the Group's commitment to continual improvement in environmental performance, particularly in reducing air emissions, water use and waste generation.

CLP's comprehensive strategy to reduce air pollution and enhance water and waste management across all aspects of its operations has enabled it to achieve all the environmental targets set for 2025, and meet its medium-term improvement goals. CLP will continue to keep tracking its progress towards its 2030 environmental targets in continual improvement of its environmental performance.

For more information on performance against group environmental targets, please see the Air emissions, Water and Waste management and materials use sections.

How CLP manages impacts and performance

Our approach

To effectively manage and build resilience on nature-related impacts, risks and performance, CLP utilises a series of environmental management tools and processes to ensure that nature-related matters are properly managed at each stage of the project life cycle. For details, please refer to the Project cycle framework for environmental management and assessment section.

The following sections describe how CLP manages individual nature-related matters that are considered material, with respect to the focus areas of its nature-related strategy. CLP has goals and targets that go beyond regulatory compliance requirements to drive continual improvement, together with performance indicators that monitor the progress and effectiveness of its nature-related strategies, plans and programmes.

Biodiversity and ecosystem

CLP seeks to adapt and mitigate its impacts on biodiversity and ecosystems of significance in the vicinity of its operations as part of its goal of "no net loss of biodiversity". CLP's approach is grounded in regulatory biodiversity controls. It also implements site-specific initiatives and, where necessary, initiates ecological compensation programmes.

There is no one-size-fits-all approach to managing nature and biodiversity impacts. CLP considers varying factors (such as the location and the level of development in the vicinity of a project) as part of its nature and biodiversity conservation and land remediation efforts.

The biodiversity and nature-related enhancement programmes undertaken in 2025 include:

- **Aquaculture and fisheries conservation in Hong Kong**
  CLP Power has continued to support marine conservation and fisheries enhancement projects through the Marine Conservation Enhancement Fund (MCEF) and the Fisheries Enhancement Fund (FEF), both established under the Hong Kong Offshore LNG Terminal Project in 2020. By 2025, a total of HK$100 million had been allocated to help finance 44 projects under the MCEF and 29 projects under the FEF. The MCEF backs efforts such as marine conservation, habitat restoration, rehabilitation, education and ecotourism, while FEF supports fisheries education and tourism, enhancement of fisheries resources and sustainable fishery development. A series of project highlights was published on CLP's social media channels to showcase the achievements of these funded projects, with the aim of raising public awareness and knowledge of marine and fisheries conservation topics.
- **Biodiversity restoration programmes at thermal power plants in Australia**
  For biodiversity conservation, EnergyAustralia has biodiversity offset management plans in place at its major fossil fuel assets including Mount Piper, Tallawarra and Yallourn Power Stations. The objective is to enhance habitats for native flora and fauna species through monitoring, site rehabilitation and revegetation. In 2025, a wombat monitoring programme was undertaken in the vicinity of Mount Piper Power Station, and habitat restored where necessary. Several habitat (nesting) boxes have been installed in the Pine Dale Mine area, and these have been observed being used by birds and possums.

  Following the commissioning of the new gas-fired Tallawarra B Power Station in 2024, a biodiversity offset programme for Tallawarra Power Station was implemented, along with a comprehensive Fauna and Flora Management Plan managed by local ecologists and indigenous community groups. The 2025 monitoring programme indicated a healthy growth of the newly planted vegetation, indicating effective restoration efforts.
- **Biodiversity regeneration programmes at CLP China's Hydro Power Station**
  At the Jiangbian Hydro Power Station, annual fish stock has been enhanced by releasing various fish species to maintain the ecological balance of the river. In 2025, the fishes release were completed in November. Survey findings indicated the endemic *Schizothorax* species remains present in the Jiulong River basin, demonstrating the effectiveness of these enhancement efforts and their positive impact on biodiversity restoration and conservation.

  At the Huaiji Hydro Power Station, water source conservation forests have been planted near the facility. Over 700 saplings of various species suited to the local climate, such as *osmanthus*, ginkgo and camellia, have been planted, enriching biodiversity and supporting the health of the local ecosystem around the power station.
- **Enhancing biodiversity with agrivoltaic and aquavoltaic systems at CLP China's Solar Power Stations**
  To enhance biodiversity at its solar farms on the Chinese Mainland, CLP has integrated fishery and agriculture initiatives with its solar power generation by installing photovoltaic panels above ponds and fields. In aquavoltaic systems, aquacultural activities are carried out beneath the photovoltaic panels, such as the farming of crabs