

Carbon Neutrality Partnership

Aspects of Decarbonisation	How Your Organisation Could Help (Examples for Reference)	Your Organisation’s Target / Plan / Action <i>(for Input)</i>
Overall: Decarbonisation Target		
Setting a target for total carbon emissions	<ul style="list-style-type: none"> - set a carbon neutrality target with a timeline - set carbon emissions reduction target with a timeline 	<ul style="list-style-type: none"> - CLP Power pledges our support for net-zero electricity generation before 2050 and the other new measures announced in the Climate Action Plan 2050. - CLP Power will discuss with the Government the phasing out coal- fired generation from our Castle Peak B Power Station’s units in the 2030s whilst our older coal-fired generation units at Castle Peak A Power Station will gradually be closed. - CLP Power will offer our full support to the Government and work closely with the community on the best way forward to introduce new zero-carbon energy sources, reduce the carbon intensity of power supply and encourage early electrification to reduce carbon in the transport and other sectors.

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Green Economy		
Green procurement	<ul style="list-style-type: none"> - set green procurement policy and standards - procure energy efficient appliances (such as those with Grade 1 energy labels under the Mandatory Energy Efficiency Labelling Scheme) 	<ul style="list-style-type: none"> - CLP Power is committed to drive continuous improvement in sustainability and encourage our business partners and suppliers to adopt best practice in supply chain management and ensure good corporate citizenship. Our Responsible Procurement Policy Statement (RePPS) summarizes CLPP's requirements and expectations on suppliers' practices in 4 key areas (or "elements"): Legal Compliance, Respect for People (including Labour/Working Conditions and Safety), Ethics & Business Conduct, and Environmental Stewardship. - CLP Power defines 'critical projects' according to their importance to business operations, Environmental, Social & Governance (ESG) risk and total contract commitments. For these critical projects, suppliers are assessed on their sustainability practices through various tools, including self-declared questionnaires, proposal evaluation, and site visits. - CLP Power has developed green specifications for purchasing categories to support daily operation. We are committed to enhance the awareness on sustainable consumption. Where green procurement elements are important considerations, CLP would normally conduct a holistic review on the whole procurement process to ensure requirements of sustainable

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		<p>consumption are being included.</p> <p>- We would continue to review the Responsible Procurement Policy Statement with a view to further strengthen its expectations on suppliers that supports our sustainability commitments. We believe that through collaboration with suppliers, we can all contribute towards a more sustainable community.</p>
Green finance	- utilise green financing instrument to raise fund	<p>- CLP Holdings established its Climate Action Finance Framework (CAFF) in 2017, and updated it in 2020, to accommodate a broader range of financial transactions to support investments that can deliver real climate benefits in achieving CLP's Climate Vision 2050.</p> <p>CAFF lays out CLP's methodology in raising climate action finance through bonds, loans and other forms of finance. There are two types of Climate Action Finance Transactions under the CAFF:</p> <ul style="list-style-type: none"> • New Energy Finance Transactions whose use of proceeds is to develop renewable energy, energy efficiency and low emissions transportation infrastructure projects; and • Energy Transition Finance Transactions whose use of proceeds is to (i) develop gas-fired power plants and associated enabling infrastructure

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		<p>to support the transition from coal fired power generation in markets with limited renewable energy resources, and</p> <p>(ii) the conversion of coal fired power plants and the facilities or modifications associated with such conversion, which, in both cases, will result in carbon emission no more than 450gCO₂/kWh at baseload.</p> <p>The Green Bond Principles (GBP), updated as of June 2018, and Green Loan Principles (GLP), updated as of May 2020, are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond and Loan markets by clarifying the approach for issuance of a Green Bond or Loan.</p> <p>CAFF is very similar to the GBP/GLP in Europe except that CLP can arrange Energy Transition financing in addition to New Energy financing, in event that such funding for the designated decarbonisation project can deliver significant environmental benefits to support the decarbonisation strategy of the host government.</p> <p>Our objective is to facilitate the transition to a low carbon economy by attracting socially responsible, sustainable financing, to support CLP's</p>

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		<p>investments in decarbonisation projects. A second party opinion for the CAFF was also obtained from DNV GL, an independent consultant and a leading provider of green bond independent assessments.</p> <p>- In 2021, CLP Power issued a US\$100 million, 10-year Green Bond in July to fund the installation of over one million smart meters that offer Hong Kong customers the ability to improve energy efficiency with greater accessibility to energy consumption data.</p> <p>Castle Peak Power Company Limited (CAPCO) raised a combination of US\$300 million 10-year Energy Transition Bond in February, and HK\$5.3 billion of diversified, cost-effective long-tenured funding in the form of HK\$3.7 billion energy transition revolving loan facilities and HK\$1.6 billion 15-year Euler Hermes-covered ECA facility with energy transition elements, to adequately cover the project costs for the second CCGT unit in Black Point.</p> <p>CLP Power and CAPCO have also arranged in total HK\$4.4 billion ESG-linked bank facilities with eight banks to achieve more meaningful climate visions in general business operations for our Hong Kong entities.</p>

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		<ul style="list-style-type: none"> - Between 2017 and 2020, CAPCO and CLP Power raised multiple climate action financings under CAFF to fund decarbonisation projects including landfill gas generation, the first combined-cycle gas turbine (CCGT) unit at Black Point Power Station, and an offshore LNG terminal, in the form of bonds (HK\$ 6.8 billion equivalent), ECA loans (HK\$2 billion) and commercial banking facilities (HK\$1.3 billion).
Net-Zero Electricity Generation		
Developing renewable energy	<ul style="list-style-type: none"> - set a renewable energy adoption target with a timeline - install renewable energy generating equipment (e.g. solar panel, solar hot water system) where possible - participate in the Feed-in Tariff Scheme - purchase Renewable Energy Certificates 	<ul style="list-style-type: none"> - CLP Power has been supporting the development of local renewable energy for many years. Back in 2012, we developed the Hong Kong's first commercial-scale standalone renewable energy (RE) system on Town Island. The system comprises solar PV, wind turbines and battery storage, with a generating capacity of about 200 kW. We also make use of landfill gas produced at the West New Territories (WENT) Landfill for power generation. This 10MW generation system started operation from the first quarter of 2020, and the electricity produced is transmitted to CLP Power's existing power grid for supplying our customers. CLP Power also takes surplus electricity provided by government's waste-to-energy facilities into our grid. - We have also implemented more than 20 small scale solar PV projects in/on

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		<p>our own buildings and facilities. In 2021, the RE generation by CLP Power and CAPCO in Hong Kong from these small RE systems is around 500,000 kWh.</p> <ul style="list-style-type: none"> - In support of the development of RE in Hong Kong, CLP will continue to actively consider implementing small scale RE projects on our premises where there are suitable opportunities in future. - We will discuss with Government potential projects to be included in future Development Plans to support the 2035 and longer term renewable energy targets in Hong Kong, including developing an offshore wind farm in Hong Kong waters and enhancing regional cooperation on renewable energy development. - CLP Power is facilitating local renewable energy development with the very successful Renewable Energy Feed-in Tariff scheme. - CLP Power has also introduced the RE Certificates Scheme to allow customers who prefer clean energy and offer different platforms for the community to participate in RE development.

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Energy Saving and Green Buildings		
Energy saving targets	<ul style="list-style-type: none"> - set electricity usage reduction target with a timeline 	<ul style="list-style-type: none"> - Most of our major office buildings have a 5 year energy saving target over 2018 as a base year, with individual improvement targets ranging from 2% to more than 10% depending on the nature, age and condition of the building.
Enhancing energy efficiency performance of buildings	<ul style="list-style-type: none"> - target for green building certification (e.g. BEAM Plus) at Platinum level - conduct green building certification for all new buildings - select existing buildings for green building certification - achieve energy efficiency performance above the statutory requirements - procure energy efficient equipment and switch them off when not in use - adopt smart building technologies to reduce electricity consumption and 	<ul style="list-style-type: none"> - CLP Power will continue to support the Government by helping customers manage energy demand and promote energy saving with a range of energy-efficient solutions and support measures including Eco Building Fund, Electrical Equipment Upgrade Scheme, training courses under Retro-Commissioning Charter Programme, as well as innovative technology applications.

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	enhance energy efficiency (e.g. smart technology to enhance energy efficiency in air-conditioning system)	
Greater use of energy management tools	<ul style="list-style-type: none"> - conduct energy audit and implement identified energy management opportunities - conduct retro-commissioning 	<ul style="list-style-type: none"> - All CLP offices premises have conducted energy audits and implemented identified energy management opportunities according to the Building Energy Efficiency Ordinance - We have conducted energy-cum-carbon audits for our larger office buildings. - For our small number of major office buildings, we have begun to undertake a few pilot Retro-Commissioning projects on our HVAC systems. We will review results carefully before considering further work. - Smart Energy Connect (SEC), a digital platform launched by the CLP Group in 2019, aims to accelerate the adoption of energy management solutions and digital energy innovations for businesses. SEC brings the best technologies including artificial intelligence and big data analytics for customers to conduct <u>building asset health monitoring</u>, <u>optimise energy usage</u>, <u>automate system operations</u> and <u>enhance building management</u>.
Construction / Work sites	- adopt Modular Integrated Construction (MiC) as	- CLP Power has proactively collaborated with different stakeholders including developers, contractors and start-ups, to promote the

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	<p>appropriate</p> <ul style="list-style-type: none"> - recycle construction wastes - electrify diesel-run equipment in construction sites or other works areas <p>adopt low carbon construction (e.g. prefabricated construction methods, low carbon construction materials)</p>	<p>replacement of conventionally adopted diesel generators by innovative clean Battery Energy Storage Systems (BESS) on construction sites in Hong Kong. Subsequently, BESS became a hot topic in the construction ecosystem in which some key developers and contractors have adopted BESS on their sites in 2021, resulting in a significant carbon emission reduction of over 1,600 tonnes. More BESS units will be deployed in coming years as many individual developers are planning to electrify their construction sites for all their upcoming projects.</p> <ul style="list-style-type: none"> - Use of B5 biodiesel for construction plants and vehicles to replace diesel usage on site - Reuse excavated materials on site for backfilling to reduce carbon footprint from transportation - Prefabricated construction method was adopted to construct the offshore LNG terminal's topsides at fabrication yard for on-site installation.
Development of district cooling system	- adopt high efficiency chillers	
Green Transport		
Zero carbon emissions from	- equip parking spaces with electric vehicle charging	- CLP Power's target is to continue to expand the coverage of EV charging facilities in all CLP premises in order to support the electrification schedule

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transport	provision, preferably with a target and a timeline	for CLP's fleet.
Phasing out of fuel-propelled and hybrid vehicles progressively	<ul style="list-style-type: none"> - electrify the corporate fleet, preferably with a target and a timeline - adopt low carbon logistics planning and delivery with technology to reduce carbon footprint 	<ul style="list-style-type: none"> - CLP Group was the first Hong Kong company to join the global EV100 initiative run by the international non-profit organization, the Climate Group. CLP Group has confirmed a commitment to transition its fleet of more than 1,000 cars to electric vehicles (EVs) by 2030 and encourage more employees to switch to EVs. <p>As part of our commitment, CLP targets to convert all of our vehicles weighing below 3.5 tonnes and half of those weighing between 3.5 and 7.5 tonnes to EVs by 2030, where technically and realistically feasible.</p>
Maintaining a public transport system with railway as the backbone	<ul style="list-style-type: none"> - encourage employees to use public transport 	
Waste Reduction		
Promoting waste reduction and	<ul style="list-style-type: none"> - support the implementation of municipal solid waste charging 	<ul style="list-style-type: none"> - Collect recyclable food waste from all CLP Power canteens for recycling - Collect rechargeable batteries from CLP Power's operation for recycling

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recycling	<p>(e.g. not to allow bulk-purchasing “designated garbage bags” and distributing them to tenants)</p> <ul style="list-style-type: none"> - promote waste separation and recycling in commercial premises and residential estates with the set-up of centralised “recycling corners” - promote food waste recycling and participate in food waste collection programme 	<ul style="list-style-type: none"> - Use environmentally friendly A4 and A3 paper in CLP Power’s offices - Set annual reduction target for A4 paper consumption - Collect waste paper from our offices for recycling - Collect WEEE from our operations for recycling - Donate/recycle all disposed computers and associated accessories - Collect metal waste and aluminium cans from our operation for recycling - Collect wood pallets from our operations for reuse or recycling - Collect waste lubricating oil, hydraulic oil and transformer oil from CLP Power’s operations for recycling - Launched a trial recycling programme for beverage cartons in 2021.
Controlling the use of single-use plastics	<ul style="list-style-type: none"> - set a plan for minimising the use of single-use plastics, preferably with a target and a timeline - reduce the use of single-use plastic packaging - request on-site caterers and food business tenants to use reusable and durable cutleries and food containers for eat-in 	<ul style="list-style-type: none"> - Replace plastic umbrella bags by umbrella drying facilities - Not provide disposable plastic cup in all pantries and launch “Bring Your Own Cup/Bottle” campaign - Remove plastic bottled drinks in vending machines at CLPP premises - Encourage Bring Your Own Bag (BYOB) and not provide plastic bag in internal staff events - Collect PET / HDPE bottles and safety helmets for recycling - Use reusable meal box and cutlery for take-away meal for shift staff in

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	<p>customers, and avoid distributing disposable plastic tableware for takeaways</p> <ul style="list-style-type: none"> - install filtered water dispensers to reduce the use of plastic water bottles - offer single-use toiletries on request only - avoid the use of disposable plastic umbrella bags and install umbrella drying facilities 	<p>power stations to replace disposable meal box and cutlery</p> <ul style="list-style-type: none"> - Replace polyfoam meal box and disposable cutlery with corn-based biodegradable ones for take away, and provide paper bag and encourage “Bring Your Own Bag (BYOB)” in all CLP Power canteens - Provide free water dispensers at work sites in power plants, project locations and all offices