

CLP's approach to sustainability and powering an orderly transition

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WHAT IS SUSTAINABLE DEVELOPMENT?

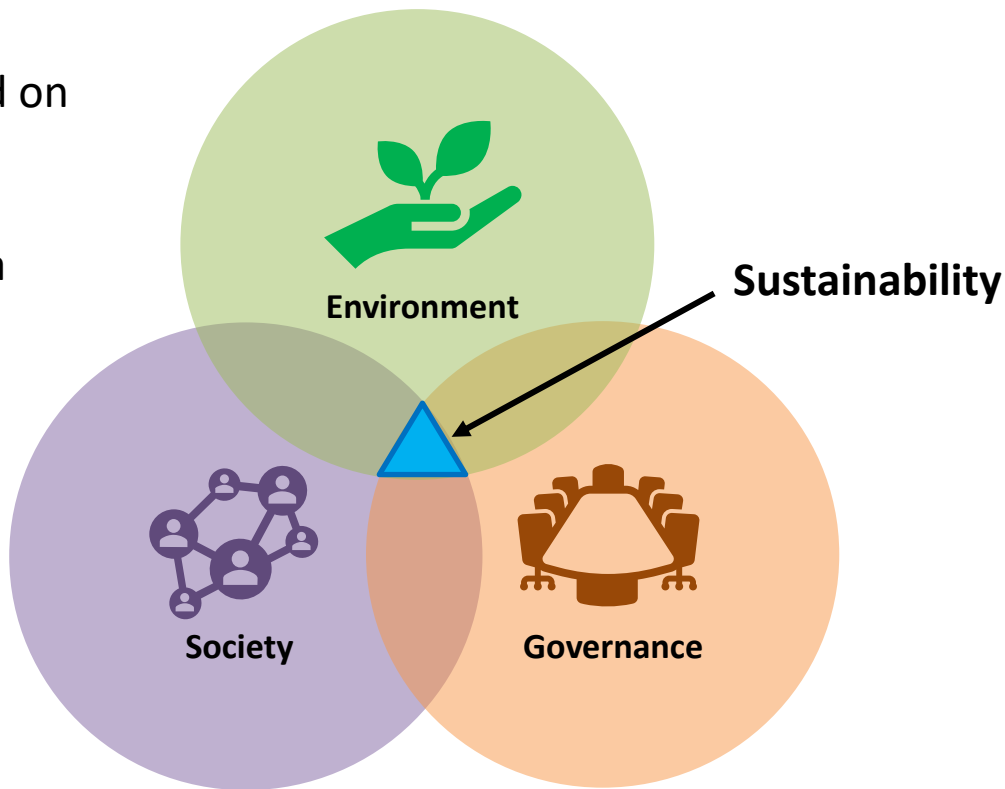


Development that “meets the needs of the present without compromising the ability of future generations to meet their own needs”

Report of the World Commission on Environment and Development: Our Common Future (1987)

WHAT IS ESG?

- Corporate sustainability is based on **3 interdependent pillars**
- Investors integrate these criteria into investment decisions



LATEST SUSTAINABILITY DISCLOSURE DEVELOPMENTS

- The **International Sustainability Standards Board (ISSB)** has issued its first two IFRS Sustainability Disclosure Standards: IFRS S1 and IFRS S2
- New climate-related disclosure requirements set out by the **Stock Exchange of Hong Kong** align more closely with IFRS S2, to be effective from 2025 reporting year in phases
- Hong Kong's Financial Services and Treasury Bureau (FSTB) is committed to aligning the local sustainability disclosure requirements with the ISSB standards
- Nature and biodiversity gaining spotlight as the **Taskforce on Nature-related Financial Disclosures (TNFD)** published recommendations for nature-related risk management and disclosure



Sustainability at CLP

AT CLP – EMBEDDING SUSTAINABILITY INTO BUSINESS

Value Framework

Purpose

- Power Brighter Tomorrows

Vision

- Be a leading responsible energy provider, from one generation to the next

Mission

- Provide sustainable energy solutions to create value for shareholders, customers, employees and the wider community

Strategy

- Creating a sustainable business portfolio;
- Accelerating our response to climate change for our business and the communities we operate in;
- Serving growing demand for energy solutions;
- Leveraging technology to deliver leading customer experiences and enhance operating performance; and
- Investing to build an agile and innovative workforce

Materiality assessment

9 Megatrends



69 IROs identified

49 High/Extreme IROs assessed material to CLP

6 Material Topics and 18 Sub-topics

- ▀ Transition to Net Zero
- ▀ Energy Growth Opportunities
- ▀ Energy Security and Reliability
- ▀ A Safe, Future-Ready Workforce
- ▀ Business Resilience
- ▀ Community Stewardship

CLP'S CORPORATE REPORTS – DOUBLE MATERIALITY

Financial risks and opportunities		Stakeholder Impacts
Sustainability-related risks or opportunities which may reasonably be expected to affect the business's cash flows, access to finance or cost of capital in the short, medium and long term.	What does it mean to CLP?	Significant positive or negative impacts on people, the environment and the economy. These affect the business's contribution to sustainable development.
Provides ESG-specific inputs into strategic decision-making to mitigate risk and maximise returns for shareholders.	How does it help?	Sets priority areas for managing CLP's impacts and approach to sustainability.
Capital providers, investors, lenders and creditors who expect CLP to generate sustainable returns.	Who is it for?	A diverse range of stakeholders who want to understand CLP impacts and contributions to sustainable development.
Sustainability-related financial disclosure including material information about these risks and opportunities to investors. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence investment decisions.	What to disclose?	Multi-stakeholder disclosure including its contribution to sustainable development objectives and any other impacts of interest to key stakeholder groups.
CLP's 2023 Annual Report Delivering Our Sustainability Agenda Chapter	Where to look for information?	CLP's 2023 Sustainability Report Our Sustainability Agenda Chapter



2023 Annual Report



2023 Sustainability Report

2023 SUSTAINABILITY REPORT – CLP'S MATERIAL TOPICS



Technology as enabler and disrupter



Accelerating energy transition



Evolving energy business models



Data privacy and security



Climate change adaptation



Deglobalisation



Electrification



Trust and fairness



Future of work



Transition to net zero



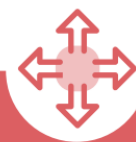
Energy growth opportunities



Energy security and reliability



A safe, future-ready workforce



Business resilience



Community stewardship

CLP's Climate Vision 2050



CLP'S CLIMATE VISION 2050 INFORMS BUSINESS STRATEGY AND GUIDES INVESTMENTS



CLP's key targets and commitments

Our new 2030 target

Our 2030 near-term GHG emissions intensity of electricity sold target has been strengthened.



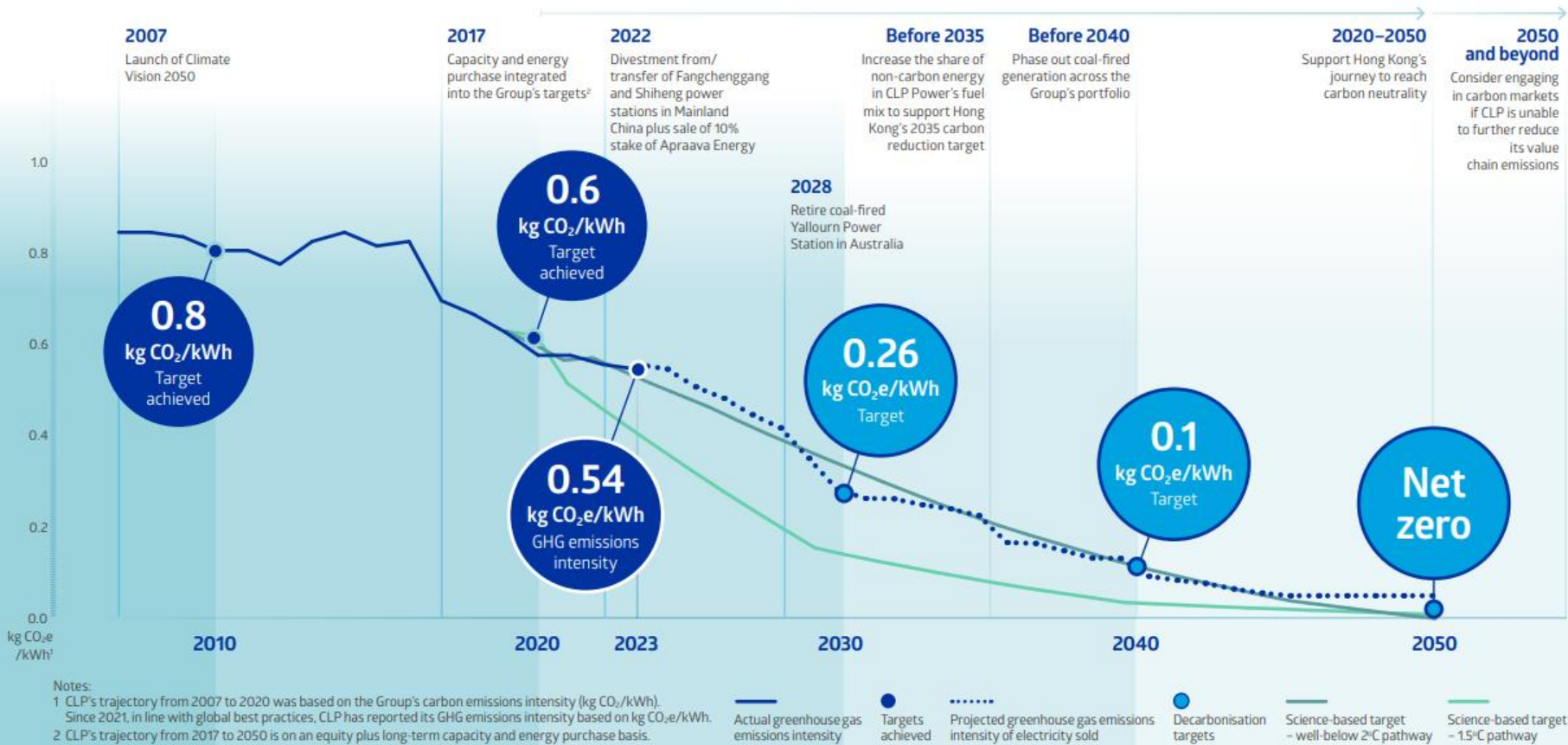
Increasing our pace to move closer to alignment with the goal of limiting global warming to

1.5°C

Committed to reviewing our decarbonisation targets within the Climate Vision 2050 at least every

3 years

CLP's past and projected greenhouse gas emissions intensity



KEY TAKEAWAYS FROM COP28



Dubai, 30 November – 13 December 2023

United Nations: COP28 Agreement Signals “Beginning of the End” of the Fossil Fuel Era

- The first time ever since the establishment of the COP that **nuclear energy has been recognised as playing an important role in global decarbonisation**
- 24 countries including the United States signed a Ministerial Declaration calling for **tripling global nuclear energy capacity by 2050**



The final COP28 outcome included:

Tripling renewable energy capacity and doubling the average annual rate of energy efficiency improvements globally by 2030;

Accelerating efforts towards the phase-down of unabated coal power;

Accelerating utilisation of zero- and low-carbon fuels well before or by around 2050;

Transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner;

Accelerating zero- and low-emissions technologies including renewables and nuclear, abatement and removal technologies such as carbon capture, utilisation and storage, as well as low-carbon hydrogen production;

Accelerating the substantial reduction of non-carbon-dioxide emissions globally, including, in particular, methane emissions by 2030;

Rapid deployment of zero- or low-emissions vehicles; and

Phasing out inefficient fossil fuel subsidies.



Photos source: UNFCCC

READ CLP'S LATEST REPORTS

2023 Annual Report



2023 Sustainability Report



CLP's Climate Vision 2050: Powering an orderly transition

