

Whistleblowing Policy

Group Internal Audit





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1. Purpose

“Whistleblowing” refers to a situation where an employee or a related third party (such as customers and suppliers who deal with the Company) (“Third Parties”) reports concerns about any real or perceived misconduct, malpractice or irregularity. Usually, such reports are made to senior levels in the Company who are in the position to rectify such misconducts, malpractices or irregularities.

CLP Whistleblowing Policy establishes reporting channels for Whistleblowers and a mechanism such that reports can be made in confidence and Whistleblowers are well protected. It is designed to encourage employees of CLP Group and Third Parties to raise concerns about any real or perceived misconduct, malpractice or irregularities in any matters related to the Company.

It should be noted that due to the nature of harassment cases, complaints relating to harassment are not covered by the Whistleblowing Policy. Instead, such complaints are covered by the Group-wide Harassment-Free Workplace Policy, which refers the reporting and investigation of harassment cases to local harassment handling procedures.

2. Types of Misconduct, Malpractice and Irregularity

While it is not possible to give an exhaustive list of the activities that constitute misconduct, malpractice or irregularity, the principles set out in CoC serve as good guidelines. Employee behaviours that are breaching the CoC principles could constitute a misconduct, malpractice, or irregularity that should be reported. These principles are:

- prevention of harm (including no alcohol and drug abuse)
- respect for all¹
- integrity and honesty
- avoiding conflicts of interest
- guarding against corruption
- our approach to gifts and entertainment
- protecting our company
- representing CLP
- complying with laws and regulations
- abiding by Company Policies and Procedures
- making political contributions
- meeting our responsibilities and obligations

Misconduct or malpractice relating to safety, health and environment are generally covered under the “Prevention of Harm”, “Complying with Laws and Regulations”, and “Abiding by Company Policies and Procedures” sections of the CoC.

¹ Refer to Group Human Resources’ Harassment-Free Workplace Policy for cases relating to harassment.

3. Reporting

Under the CoC, employees are required to promptly notify their supervisor or higher management of any situation that may result in injury, illness or loss of life; damage to property or the environment; the violation of the law or other applicable regulations; interruptions of service; or failure to meet the Company's obligations. We also have a duty to promptly report any ethical concerns or potential or actual violations. Employees could violate the CoC if they assist or authorise others in activities that breach the CoC, or conceal or fail to report any known or suspected breaches by others. Employees and Third Parties may also have a duty to report corruption to the authorities if required to do so by local regulations.²

A. Reporting Channels

Whistleblowing can be made through the following channels:

(i) General Reporting

In general, Whistleblowers should make their reports to Group Internal Audit (GIA) for review. If an irregularity incident or case contains any components that are potentially related to the Code of Conduct, the case must be reported in the first instance to Human Resources (HR) (for cases relating to areas of respect for people and abuse of alcohol and drugs) and GIA (for all other CoC cases) for review and appropriate action.

Employees may prefer to have an initial discussion with his/her manager or local HR representatives. However, the manager or HR must in turn report any potential or actual misconducts, malpractices or irregularities to GIA. If employees feel uncomfortable doing this (e.g., your line manager has declined to handle your case or it is the line manager who is the subject of the report), then the employee should contact GIA. Business partners, suppliers and Third Parties are encouraged to report directly to GIA.

Any business units in receipt of a letter or a verbal report alleging any of the above types of misconducts, malpractices or irregularities shall promptly redirect the letter or the report to GIA. If it is considered desirable to take legal action or to refer the case to law enforcement authorities, advice from Group Legal Affairs or the legal function of the local business unit where applicable and the Senior Director – Group Internal Audit (SDGIA) should be obtained.

(ii) Reporting of “Respect for All” and “Alcohol and Drug Abuse”

CoC violations relating to “respect for all” and “alcohol and drug abuse” may be reported directly to HR for review and investigation. Once the investigations are completed by HR, they will provide a summary of any violations to GIA for consolidation and reporting.

(iii) Reporting of Irregularities of a Security Nature or Electricity Irregularities

Irregularities of a security nature involve the loss of CLP Group assets, or the loss of third party property on CLP Group premises or under CLP Group's custody. Electricity irregularities involve the loss of electricity revenue due to theft or breach of regulatory rules or requirements of the local business units. These types of irregularities are normally not reported under this policy, unless they contain components that relate to non-compliance with the CoC. Otherwise, they are handled through separate procedures by the relevant functions (e.g., security or customer service function of the local business units).

B. Reports and Supporting Documentation

While we do not expect the Whistleblower to have absolute proof or evidence of the misconducts, malpractices or irregularities reported, the report should show the reasons for the concerns and full disclosure of any relevant details and supporting documentation. Whistleblowers can make a report as follows:

(i) Verbally through our Whistleblower Hotline No.: **(852) 2678-6351**

(ii) In writing (by post or by email) to GIA using the standard form (Whistleblower Report Form) attached as Annex 1 of this policy.

GIA or HR will acknowledge the receipt of a written report to the complainant when the report is not anonymous. When a report is received by a business unit, the business unit should redirect the report to GIA or HR.

In certain situations, Whistleblowers may be requested to provide verbally reported details in writing.

² For instance, as in the case of Hong Kong, failure to disclose information which might be of material assistance in securing the prosecution or conviction of an offender could in itself be an offence under the Criminal Procedure Ordinance.

4. Investigation

Every report received will be carefully assessed to decide whether a full investigation is necessary. For reports relating to “Respect for All” and “Alcohol and Drug Abuse” under section 3A(ii) above, HR will be the Leading Investigating Party, which will conduct the assessments and any necessary investigations. For other CoC cases, GIA will be the Leading Investigating Party for review and appropriate action. GIA and/or HR reserve the right to request further information from the complainant on the allegation submitted. A decision regarding whether to investigate may depend on the availability of sufficient information. When the decision is not to investigate further due to lack of sufficient information and the report is not anonymous, the complainant will be informed by GIA or HR of such a decision.

If there is sufficient evidence to suggest that a case of possible criminal offence or corruption exists, the matter will be reported by GIA to the relevant local authorities (for instance, Independent Commission Against Corruption (ICAC) in Hong Kong). Once the matter is referred to the authorities, CLP Group will not be able to take further investigation on the matter.

SDGIA will prepare a full report on the investigations conducted by GIA without revealing the identity of the Whistleblower. For confirmed cases of CoC violations, the normal process is for the responsible line management (with the assistance of HR representative) to determine what disciplinary action is appropriate and after review by GIA, make a recommendation to the Company’s Code of Conduct Committee for final decision.

The result of the investigation will be communicated to the Whistleblower where deemed appropriate. Information provided to a Whistleblower is subject to privacy considerations of those against whom the allegations are made and CLP’s confidentiality practices. Detailed investigation report will not be provided. If the Whistleblower is not an employee, he or she must sign a confidentiality agreement prior to receiving information on the outcome of the investigation.

5. Protection

Persons making genuine and appropriate complaints under this policy are assured of fair treatment. In addition, CLP Group’s employees are also assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action, even if the concerns raised turned out to be unsubstantiated. CLP Group reserves the right to take appropriate actions against anyone (employees or Third Parties) who initiates or threatens to initiate retaliation against those who have raised concerns under this policy. In particular, employees who initiate or threaten retaliation will be subject to disciplinary actions under the CoC, which may include summary dismissal. Management will support all employees and encourage them to raise concerns without fear of reprisals.

6. Confidentiality

CLP Group will make every effort, within its capacity to do so, to keep a Whistleblower’s identity confidential. CLP Group will endeavour to advise a Whistleblower in advance if his or her identity may become apparent or need to be disclosed. Should an investigation lead to a criminal prosecution, it may become necessary for a Whistleblower to provide evidence or be interviewed by the relevant authorities.

For his or her part, in order not to jeopardise the investigation, the Whistleblower is also required to keep confidential the fact that he or she has filed a report as well as the nature of concerns and the identities of those involved.

7. False Reports

If a Whistleblower makes a false report maliciously, with an ulterior motive, or for personal gain, CLP Group reserves the right to take appropriate actions against anyone (employees or Third Parties) to recover any loss or damage as a result of the false report. In particular, employees may face disciplinary action, including dismissal where appropriate.

8. Anonymous Reports

As CLP Group takes reporting of misconducts, malpractices, and irregularities seriously and wants to conduct warranted investigations of both potential and actual violations, it is preferred that these reports are not made anonymously. However, it is recognised that for any number of reasons, employees or Third Parties may not feel comfortable reporting potential violations directly to GIA. In these cases, anonymous reports may be submitted to the GIA.

9. Record Retention

Records shall be kept for all reported misconducts, malpractices, and irregularities by the relevant parties. In the event a reported irregularity leads to an investigation, the party responsible for leading / conducting the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken for a period not exceeding six years (or whatever other period may be specified by any relevant legislation).

10. Responsibility for Implementation and Review of Policy

This policy has been approved and adopted by the Board of the Company. The Audit & Risk Committee has overall responsibility for implementation, monitoring and periodic review of this policy. In addition, the Audit & Risk Committee has delegated the day-to-day responsibility for administration of the policy to the SDGIA.

If there are any questions about the contents or application of this policy, please contact GIA.



Whistleblowing Policy

WHISTLEBLOWER REPORT FORM – ANNEX 1

(CONFIDENTIAL)

CLP Group of Companies (“CLP Group”) is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, CLP Holdings (“the Company”) encourages employees of CLP Group and related third parties (e.g. customers, suppliers, etc., who deal with the Company) to raise concerns and report in confidence, about misconducts, malpractices or irregularities in any matters related to the Company.

The Whistleblowing Policy has been established to encourage and assist Whistleblowers to disclose information relevant to the misconducts, malpractices or irregularities through a confidential reporting channel (to the extent possible). The Company will handle this report with care and will treat the Whistleblower’s concerns fairly and properly.

If you wish to make a written report, please use the report form below. Once completed, this report becomes confidential. You may send the report, marked confidential and addressed to the Senior Director – Group Internal Audit, by post to the relevant addresses below or by email to clpwhistleblowing@clp.com.hk

To: Senior Director - Group Internal Audit
CLP Holdings Limited
6/F, CLP Headquarters
43 Shing Kai Road
Kai Tak
Kowloon
Hong Kong

Your Name /
Contact Telephone Number and Email

We encourage you to provide your name with this report. Concerns expressed anonymously are much less powerful but they will be considered as far as practicable.

Name: _____

Address: _____

Tel No: _____

Email: _____

Date: _____

The names of those involved (if known):

Details of concerns:

Please provide full details of your concerns: names, dates and places and the reasons for the concerns (continue on separate sheet if necessary) together with any supporting evidence / documents.