

# Why Board Diversity is Important to CLP

We recognise that Board diversity is an essential element contributing to the sustainable development of CLP.

The CLP Board Diversity Policy was adopted by the Board in 2013 and incorporated Code Provisions of the Stock Exchange Code. Our revised Policy was approved by the Board in February 2019. Among the changes introduced are the retirement age guideline (at age 72) for our Non-executive Directors (other than the Chairman) designed with the specific needs of CLP in mind, and the CLP Group Diversity and Inclusion Policy for Senior Management and Staff.

Our concept of diversity incorporates a number of different aspects, such as independence, professional experiences, business perspectives, skills, knowledge, gender, age, cultural and educational background, ethnicity and length of service.

Our Board Diversity Policy also recognises that board diversity can be achieved without increasing the size of the Board and that a reduction in board size due to retirements without replacement can also be a way to further diversity.

The [CLP Board Diversity Policy](#) is available on the CLP website.

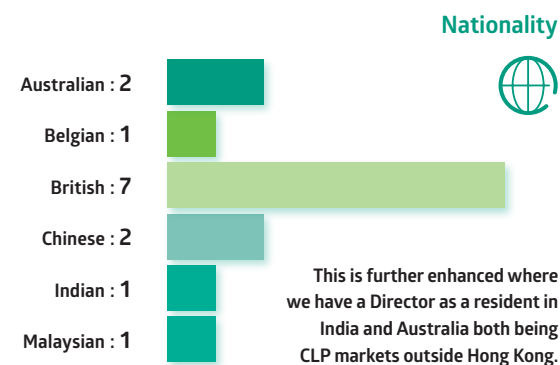
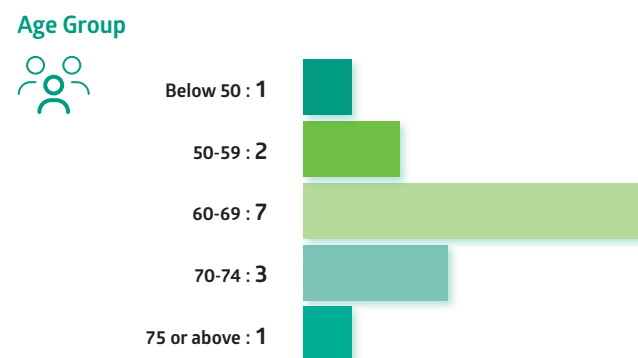
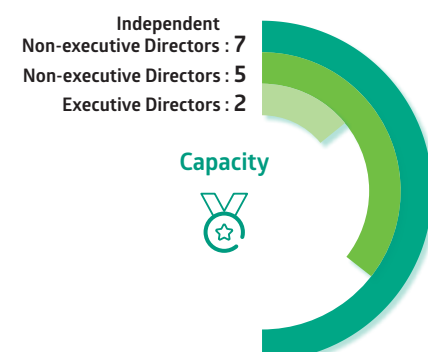
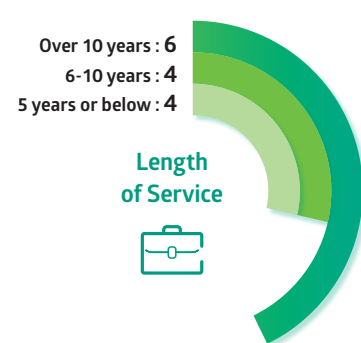
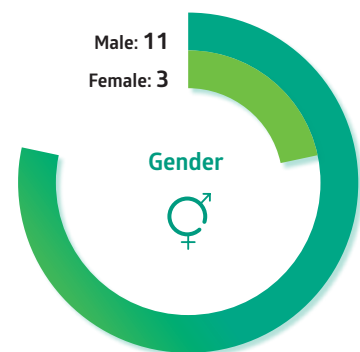
## The Values in Board Diversity

- Enhances decision-making capacity
- Improves effectiveness in dealing with organisational changes
- Reduces likelihood of group thinking
- Contributes to sustainable development

## How is this Relevant to our Shareholders

- The Nomination Committee reviews the Board Diversity Policy periodically
- Shareholders approve the election and re-election of Directors
- Directors and the Board are responsible for promoting the shareholders' interests
- Shareholders need to be satisfied with the level of board diversity
- We are committed to providing shareholders with sufficient information to assess our board diversity

## Board Composition & Diversity



## Board Expertise

To ensure the Board continues to possess a balance of skills appropriate for the requirements of the business of the Group, an analysis of the skill set mix was considered by the Nomination Committee.

The table below highlights the breakdown of the skill set mix of our Directors and demonstrates the broad and diverse mix of experience and background relevant to CLP that the Directors bring to the Board and its Committees.

Expertise	Relevance to CLP	No. of Directors (Full Board of 14)
<b>CLP market experience</b> (Hong Kong / Mainland China / India / SEA & Taiwan / Australia)	Facilitates the review of CLP's business and financial operations and investments in the respective region	14
<b>Related industry experience</b> (Infrastructure / Power / Property / Retail)	Facilitates the review of CLP's business operations and investment opportunities in the related industries	14
<b>Technology</b>	Provides insights into the technological developments and the governance of cyber risks	4
<b>Global market experience</b>	Provides insights into the global economic trends and opportunities that CLP can explore	14
<b>Other industries</b>	Brings in other expertise that are applicable across different industries	11
<b>Other listed board roles</b>	Brings in good practices as a board and / or board committee member of listed companies	13
<b>Board / board committees leadership</b>	Board and governance leadership experience are regarded as a strategic asset to the Board and Board Committees	8
<b>Risk &amp; compliance</b>	Risk and compliance are key governance responsibilities of the Board	12
<b>Company executive</b>	Provides insights into executive leadership and the management of CLP's business and operations	8
<b>Public administration</b>	Brings in experience in the areas of governance and stakeholder engagement	1
<b>Professional</b>	Brings in oversight, advisory and operational experience in the respective field of profession	10
<ul style="list-style-type: none"> <li>Engineering</li> </ul>		3
<ul style="list-style-type: none"> <li>Legal</li> </ul>		2
<ul style="list-style-type: none"> <li>Accounting</li> </ul>		6

Note: Multiple professional background and experience may apply to a Director.

## Assessment Results of Diversity

The Board is characterised by its strong independence and diversity.



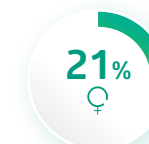
The percentage of Directors having served on the Board for over 10 years has reduced to 42% from 47%



The percentage of Directors aged 70 or above is on a downward trend



The Board is reasonably diverse in terms of nationality, with resident Directors in countries where CLP has major business and operations



Gender diversity (female representation) maintained at a high level amongst Hong Kong listed companies



Representation of Executive Directors in the Board remained at a relatively low level



Representation of Independent Non-executive Directors maintained at a high level