

# CLP Group Community Initiatives, Sponsorship and Donation Policy

## 1) Introduction

CLP Holdings' vision is to be a leading responsible energy provider, from one generation to the next. Turning our vision into reality requires that we operate in a way that is conducive to the long-term viability of our business. Integral to our continued success is our ability in earning and maintaining community acceptance as articulated in [CLP's Value Framework](#) and contributing to the United Nations Sustainable Development Goals for 2030 most relevant to our business.

Our community initiatives, sponsorship and donation activities complement other elements of our operations to earn and sustain trust from our stakeholders. Our approach is to apply our skills and resources strategically to projects, programmes and initiatives that have a positive impact on community development for the short- and long-term.

## 2) Purpose

The purpose of the CLP Group Community Initiatives, Sponsorship and Donation Policy is to establish a common and coherent approach among all corporate functions and business units. This policy, together with the Company's corporate governance and internal control measures in place as well as a standardised online reporting platform, aims to assist corporate functions and business units in assessing, designing, reviewing and reporting our community activities to ensure that CLP resources are deployed effectively and contribute to the development of the communities we serve.

## 3) Scope

This policy applies to all corporate functions and business units across the CLP Group. It is intended to establish the framework and parameters for our community initiatives, sponsorship and donation activities. Recognising that needs and priorities will vary across the Asia-Pacific region, the focus area(s) of our community activities will vary by country. Business units are responsible for designing and implementing their own strategy and activities within the framework of the four pillars named in this policy.

## 4) Policy

We aim to develop long-term relations with our stakeholders based on mutual trust, respect and integrity, and we seek to make contributions to programmes that have a positive impact on community development. Through co-creation, collaboration, capacity-building initiatives, employee volunteerism, and strategic giving, CLP Holdings strives to create positive impact in the four areas below:

- **Environment:** CLP is committed to playing its part in the collective effort in speeding up the progress of decarbonisation. In addition to reducing our greenhouse gas emissions intensity as declared in [Climate Vision 2050](#), we are committed to enhancing the public's understanding of the nexus between energy and climate change; supporting research, advocacy and innovation technology that mitigate the impacts of climate change; and championing energy efficiency and conservation programmes.

In line with our commitment to look after the planet as stated in our [Value Framework](#), we support projects and programmes that improve the understanding and public awareness of greenhouse gas emissions, responsible uses of resources including renewable energy, conservation and biodiversity; science-led projects, research and advocacy efforts; and low-carbon living in these areas.

- **Education and Development:** CLP is committed to investing in education and development to equip future leaders with the knowledge and skills and to expand their perspective and mindset necessary to tackle complex challenges. We do this through training and capacity building initiatives that emphasise on inclusive, equitable and lifelong learning opportunities related but not limited to the power sector. We believe quality education and a capable, agile workforce, together with innovation and digitalisation, are key ingredients to driving and sustaining the development of the communities we serve as well as the Company itself. Therefore, we support initiatives that promote knowledge sharing and the entrepreneurial spirit including incubation programmes that nurture start-ups and encourage innovative thinking.
- **Community Wellbeing:** We seek to improve quality of life for the communities we operate in by supporting initiatives that serve the need of the socioeconomically disadvantaged. This includes, but is not limited to, empowering local communities through functional and life-skills training, supporting programmes that create growth opportunities for the underserved; improving access to healthcare for the underserved; increasing access to healthy food and wellbeing programmes for improving physical and mental health; fostering social diversity, inclusion and harmony; and caring for the health and safety of those who could be affected by our operations, including our staff and partners. In the face of population ageing, we also support programmes that promote an age-friendly community and active aging by equipping senior citizens with the skills that enhance their quality of life. As innovation and technology are key enablers in accelerating global developments to address social needs, we also support initiatives that promote technology-enabled enhancements in living standards.
- **Arts and Culture:** Arts and Culture are integral to our heritage, history and identity. The artistic community also inspires us to learn from each other. As an organisation that takes pride in its heritage, we support initiatives that preserve and promote local culture and heritage, as well as those that contribute to the development and appreciation of arts to improve our quality of life and encourage creative thinking.

**Guiding Principles:**

- We support projects or programmes that reflect the needs and expectations of local communities and are sensitive to prevailing cultures, traditions and values;
- We support projects or programmes that are systematically managed with clearly-identified objectives and expected outcomes;
- We engage in long-term partnerships with credible international, national, regional and local community organisations, non-governmental organisations, and charities;
- We focus our support on projects or programmes that offer an opportunity for our employees to be involved in the activities;
- We evaluate our contributions and the outcome and impact that they could achieve on a regular basis;
- We focus our investments in areas aligned with our business and strive to avoid conflicts of interest. Generally, we do not offer financial support for the following:
  - General endowment requests from an organisation to build its restricted reserves and/or endow a particular programme
  - Sectarian or religious organisations whose funding request is for the benefit of their own members or adherents and not for programmes that are to benefit the wider community
  - Initiatives that benefit specific individuals other than through a bona fide project or programme
  - Deficit funding, i.e. when expenses exceed the organisation's/project's revenues
  - Projects that are implemented beyond geographic areas where CLP operates
- In accordance with the CLP Group Code of Conduct, it is the Company's general policy to remain politically neutral and avoid making political contributions (donations).

**5) Reviewing, monitoring, and reporting**

We understand that community's needs evolve over time. CLP will review this policy every three years to ensure that it is aligned with the changes in our business and the external environment.

We seek to apply internationally-accepted standards, such as the London Benchmarking Group methodology, to review the effectiveness of major projects/programmes in creating value for the community and the business.

In line with CLP's commitment on responsible management, adequate and effective controls are also in place to ensure that CLP resources are deployed effectively.

Business units are to comply with their respective “Company Management Authority Manual” for sponsorship and donation approvals.

CLP Group is committed to communicating openly and transparently with our stakeholders on the economic, social and environmental impact of our business. Our social performance is reported on an annual basis in the Annual Report and Sustainability Report.

## **6) Responsibilities**

The CLP Holdings Sustainability Committee has general oversight for CLP Group’s community initiatives, sponsorship and donation activities, such as approving this policy and reviewing the policy on a regular basis; reviewing the overall direction of the goals and objectives of CLP’s community initiatives; and conducting an annual review of the Group’s social performance against this policy and the stated goals and objectives of our community activities.

The Corporate Affairs (Communications) team plays a governance and capacity-building role to see that this policy is implemented across the Group. At the business unit-level, the Corporate Affairs (Communications) team, Corporate Affairs (External Relations) team or Sustainability team is responsible for devising local strategy, managing community initiatives, evaluating sponsorship and donation requests and implementing the related activities, and coordinating community engagement initiatives across various functions.

With the support from business units, the Corporate Affairs (Communications) team is responsible for the reporting of the Company’s social performance in the Annual Report and Sustainability Report. The Corporate Affairs (Communications) team is also responsible for responding to social-related questions posed in sustainability or environment, governance, and social surveys, such as the Dow Jones Sustainability Index.