



## Message from the Chief Governance Officer

**David Simmonds**  
Chief Governance Officer

We are pleased to report on CLP's corporate governance developments in 2024.

In the "2024 At a Glance", we have outlined some of the highlights of the year and how we are positioning our corporate governance practices for 2025 and beyond.

We have featured four areas that illustrate this forward outlook: (i) ensuring our Board composition is fit for purpose for now and the years ahead; (ii) the ERP (Enterprise Resource Planning) project which, when implemented, will change the way we work through digitalisation in a transformative manner; (iii) the strategy review, which by definition, will shape the Group's future direction; and (iv) the development of our corporate governance to ensure we are well aligned with the best practices in the region.

Our Board has always played an active leadership role in CLP's corporate governance. We are very grateful for the additional time and efforts that our Directors devoted in our 2024 strategy review. The Directors spent a considerable amount of time in considering, debating and working with management in formulating the corporate strategy. The time invested also enabled Board Members to strengthen the engagement with the new leadership team under Mr T.K. Chiang.

On Board Succession, we are excited to welcome new Board Members in Mr Diego González Morales and Mrs Ann Kung and we are most thankful to the services of Mr Richard Lancaster, Mr J.A.H. Leigh and Mrs Zia Mody, who retired from the Board in 2024.

On corporate governance and sustainability, CLP's double materiality approach to sustainability reporting continue to be well received by our stakeholders and for the 2024 reporting, we will be preparing our reports "in accordance with" the new Hong Kong Financial Reporting Standard (HKFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information and HKFRS S2 Climate-related Disclosures. We welcome The Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange)'s new corporate governance requirements that will come into effect in July 2025, and believe that CLP is well positioned for the new rules.

Lastly, we are committed to maintaining a forward-looking approach to our corporate governance such that our practices can evolve and can continue to be a value enabler for our organisation.

## 2024 At a Glance

### Board Refresh and Succession

- ◆ As part of the Board's gradual refresh of its composition, a number of Directors in different capacities retired from the Board in the first half of 2024:
  - ◆ our former CEO and Executive Director, Mr Richard Lancaster retired at the conclusion of the 2024 AGM after having served on the Board for 11 years;
  - ◆ our former Non-executive Director, Mr J.A.H. Leigh retired in March 2024 having been on the Board since 1997 and served as part of the CLP Group management team from 1986 to 1996; and
  - ◆ our former Independent Non-executive Director, Mrs Zia Mody retired at the conclusion of the 2024 AGM after having served on the Board since 2015.
- ◆ On the other hand, the Board welcomed the following appointments:
  - ◆ Mr Diego González Morales was appointed as a Non-executive Director and a Member of the Finance & General Committee on 1 April 2024; and
  - ◆ Mrs Ann Kung was appointed as an Independent Non-executive Director and as a Member of the Audit & Risk Committee and the Finance & General Committee on 22 October 2024.

### Corporate Strategy Review

- ◆ As referred to in the Chairman's Statement and CEO's Strategic Review, the Board approved the corporate strategy in November 2024. The strategy was approved by the Board following a series of dedicated briefing and discussion sessions and included a two-day offsite event for our Board Members.
- ◆ Board Members spent a considerable amount of time participating in the strategy review and these included:
  - ◆ a two-day Strategy Review offsite event;
  - ◆ dedicated agenda items in four of the Board meetings in 2024; and
  - ◆ an additional CLP Holdings Finance & General Committee meeting.
- ◆ At the various briefing sessions, management shared with Directors the background, options and proposals on the strategic initiatives and through the interactive sessions, Directors provided valuable feedback and suggestions to management and thereby played an important part in formulating the corporate strategy.

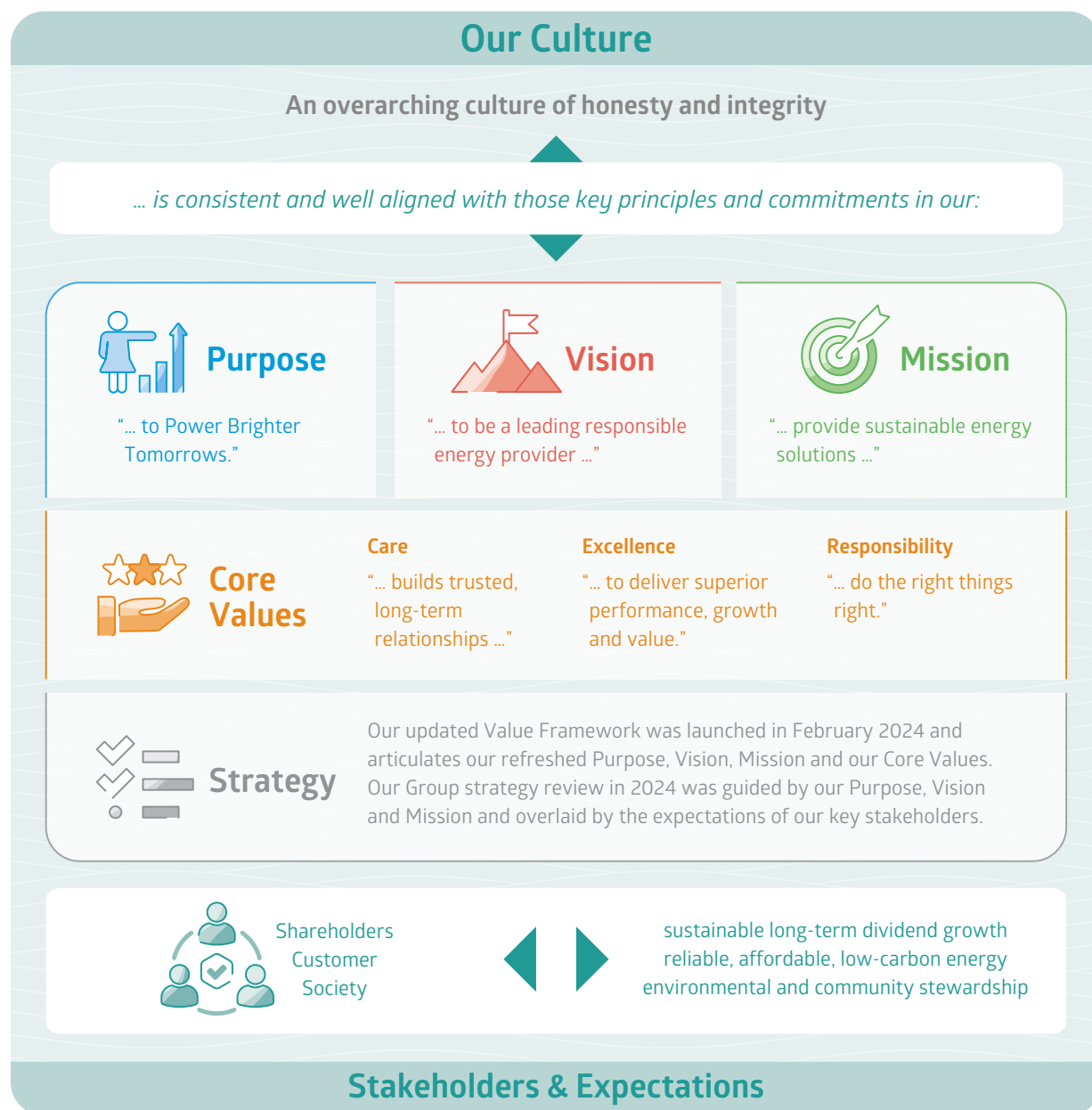
### ERP Panel

- ◆ The Board established a project focused panel with a dedicated oversight of the ERP system project.
- ◆ The project to implement the ERP system is a significant project as it will improve CLP's digital capabilities and optimise our business processes across our Hong Kong based operations. As the implementation of the project is subject to the purview of the CLP Power Board, the CLP Holdings Audit & Risk Committee and the CLP Holdings Finance & General Committee, the establishment of the ERP Panel consolidates the oversight of this project at the CLP Holdings Board level.
- ◆ The ERP Panel was established by the CLP Holdings Board and comprises the following CLP Holdings Directors:
  - ◆ Mrs Betty Yuen, as Chair;
  - ◆ Ms May Siew Boi Tan and Mr Andrew Brandler, as Deputy Chairs; and
  - ◆ Mr T.K. Chiang, Mr Nicholas C. Allen and Mr Chunyuan Gu, as Members.
- ◆ The ERP Panel was established by the CLP Holdings Board and came into operation in April 2024 and will operate for the duration of the project. It is expected that four meetings will be held each year on a quarterly basis. So far and in 2024, four meetings were held in May, July, September and December.

### Corporate Governance Regulatory Developments

- ◆ CLP Holdings welcomes the series of corporate governance related changes that are being introduced by the Hong Kong Stock Exchange with the Listing Rules changes that will come into effect on 1 July 2025.
- ◆ The proposed changes relate to the following: designation of a lead independent non-executive director; mandatory directors training; board performance review; disclosure of board skills matrix; overboarding independent non-executive directors and directors time commitment; independence of independent non-executive directors; board and workforce diversity; risk management and internal controls; and dividends policy.
- ◆ CLP Holdings and our corporate governance practices already adhere to a vast majority of these recently introduced requirements. In so far as those that have not been implemented, in particular, the designation of a lead independent non-executive director and workforce diversity policy, these will be considered by the CLP Holdings Board in due course with regard to the implementation timetable of the new changes.

## How our Purpose, Values, Strategy and Culture are aligned?



## The CLP Code: Compliance and more

The Company has its own unique code namely [CLP Code on Corporate Governance](#) (CLP Code). It is built on CLP's own standards and experience while respecting the benchmarks set by the Hong Kong Stock Exchange. The CLP Code is on the CLP website and available on request.

The CLP Code goes beyond the principles of good corporate governance and incorporates the code provisions on a "comply or explain" basis and certain recommended best practices as set out in the Corporate Governance Code, Appendix C1 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (Listing Rules). The only exception, however, concerns quarterly reporting, details of which are explained on page 97.

We have made **further enhancements to our corporate governance practices in 2024** and some of these are highlighted in "2024 At a Glance". The Hong Kong Stock Exchange introduced a new set of corporate governance requirements effective 1 July 2025. Our current CLP corporate governance practices meet a vast majority of these requirements and we have indicated on page 96 where these are applicable to the new requirements.

### Areas in which our Corporate Governance Practices exceed the Hong Kong Stock Exchange Corporate Governance Code

#### Our Board

- ❖ The composition of the Board and the Audit & Risk Committee exceed the independence requirements under the Listing Rules.
- ❖ A dedicated Sustainability Committee to oversee the management of long and short term sustainability matters and is chaired by an independent director and comprises Non-executive Directors only.
- ❖ All Board Committees comprise members of different genders, including the Nomination Committee (*Meet new requirements*).
- ❖ We conduct regular external and internal Board and Board Committee reviews and when completed, we publish a [summary](#) of the conclusions of the external Board review on the CLP website (*Meet new requirements*).
- ❖ With the objective of minimising succession risk, the retirement age guideline in our Board Diversity Policy provides that where a Non-executive Director (other than the Chairman) has reached the age of 72 at the time of the relevant AGM, such Director will not be considered for re-election, however, this may be waived if the Board considers such Director has the skills, experience or capabilities that cannot be replaced at the relevant time.
- ❖ By reference to our Board Diversity Policy, we are committed to the gradual refresh of the Board and the Board Committees.
- ❖ We issue a formal letter of appointment for Non-executive Directors. The [model letter](#) is on our website and deals with a range of matters regarding a Director's appointment and responsibilities including an expected level of time commitment.
- ❖ We have a set of bespoke Onboarding [Guidelines](#) for Directors with the key objective of assisting new Directors in their understanding of CLP's business, governance and Board and Committee dynamics. The Guidelines are available on the CLP website.

#### Our disclosure

- ❖ The CLP Fair Disclosure Policy sets out the principles for the broad and non-exclusionary distribution of information to the public.
- ❖ The Continuous Disclosure Obligation Procedures guide the organisation in monitoring and disclosing potential inside information.
- ❖ The Continuous Disclosure Committee conducts regular assessment of potential inside information.
- ❖ We adopt a double materiality methodology to identify and report the sustainability topics that are financially material to us.
- ❖ We disclose our Senior Management's confirmation of compliance with the Listing Rules Model Code and CLP Code for Securities Transactions, in addition to similar disclosures by our Directors.
- ❖ We issue individual Board Committee reports in our Annual Report for the Audit & Risk Committee, Sustainability Committee, Nomination Committee and Human Resources & Remuneration Committee.
- ❖ Our Risk Management Report in the Annual Report sets out CLP's risk management framework and how CLP manages the Group's material risks (*Meet new requirements*).
- ❖ Our Annual Report sets out the skills matrix for our Board (*Meet new requirements*).
- ❖ Our Annual Reports sets out our dividend policy and the Board's approach in deciding dividends (*Meet new requirements*).
- ❖ We announce our financial results within two months after the end of the financial year. The [Annual Report](#) is available on our website within the following fortnight with hardcopies sent to shareholders about two weeks after that.
- ❖ We have published CLP's [Climate Vision 2050](#) since 2007 which sets out the blueprint of CLP's latest decarbonisation actions and with targets updated at regular intervals.
- ❖ We disclose on our website [minutes of our AGM](#); in addition, any questions or topics that are not specifically addressed at the AGM, full answers are provided and disclosed.

### Our unique policies and practices

- ❖ For the 2024 Annual Results analysts briefing presentation materials, this was disclosed as an inside information announcement to ensure the equal dissemination of information to all investors.
- ❖ CLP has established its own Corporate Governance Framework, the Value Framework and its own Code for Securities Transactions.
- ❖ We conduct a Group-wide Business Practice Review for our staff on a periodic basis to foster employees' understanding of our Code of Conduct under CLP's Value Framework. An important aspect of this is ensuring that our employees maintain a good understanding of CLP's culture and values.
- ❖ We have a CLP Procurement Values and Principles. This explains our procurement values and principles and we encourage all suppliers to abide by the same values and principles as ourselves, and to adopt the same standards of integrity and transparency in doing business with us.
- ❖ General Representation Letters are issued by our CEO and CFO to the Audit & Risk Committee as attestation of compliance.
- ❖ Our Audit & Risk Committee regularly examines the audit activity reviews conducted by the Internal Auditors. The Internal Auditors highlight the significant events and findings which require the Committee's attention and further examination, where appropriate.
- ❖ Members of our Audit & Risk Committee conduct meetings as between Members only prior to the full Committee meeting attended by management and the auditors; two of which are joined by the independent auditor.
- ❖ For the Group's continuing connected transactions (CCTs), we engage the Company's independent auditor, PwC, to undertake an agreed-upon procedures (AUP) engagement on the Group's CCTs pricing policies. The AUP findings are provided to the Independent Non-executive Directors as part of their consideration of the CCTs for the purposes of giving the required confirmation under Rule 14A.55 of the Listing Rules.

## Compliance with the Corporate Governance Code and Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange

### CLP's Approach to Corporate Governance

Throughout the financial year ended 31 December 2024, the Company had complied with the code provisions as well as applied all the principles in the Corporate Governance Code. CLP deviates from only one recommended best practice in the Corporate Governance Code – that an issuer should announce and publish quarterly financial results.

### Our Considered Reasons for not Issuing Quarterly Financial Results

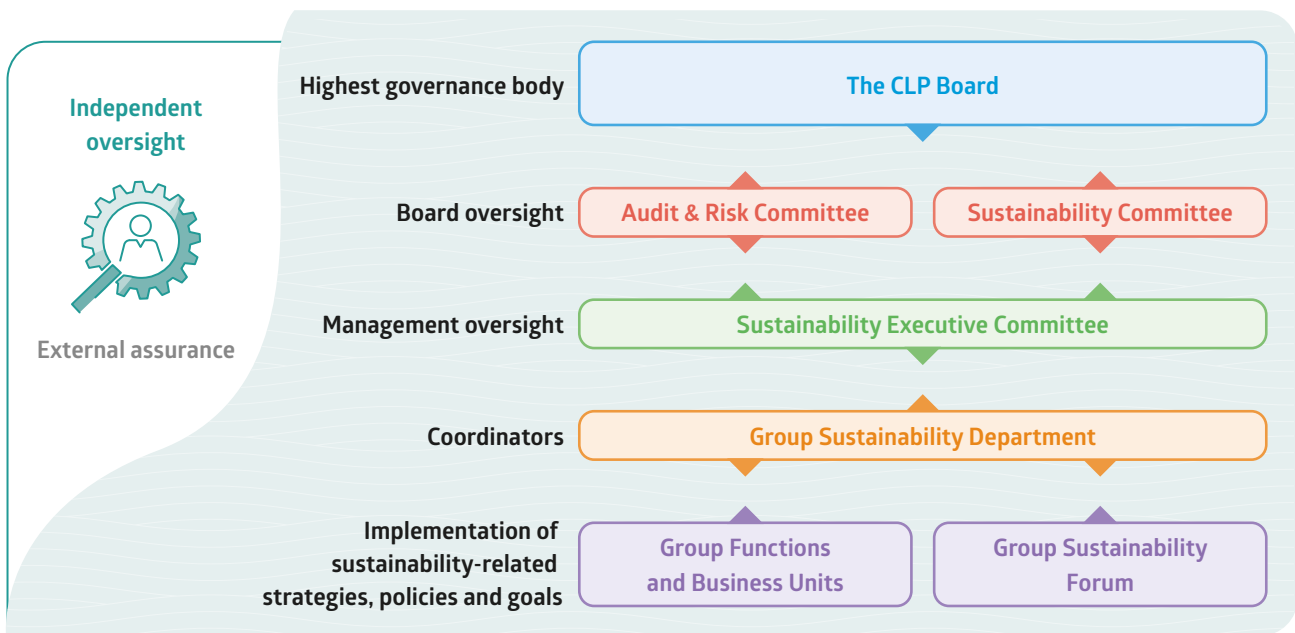
While CLP does issue quarterly statements which set out key financial and business information such as electricity sales, dividends and progress in major activities, we do not issue quarterly financial results for the following considered reasons:

- ❖ they do not bring significant benefits to our shareholders;
- ❖ they encourage a short-term view of the Company's business performance;
- ❖ CLP's activities do not run and need not be disclosed and judged on a three-month cycle; and
- ❖ preparation of quarterly reports is costly, including the opportunity cost of Board and management time spent on quarterly reporting.

## CLP's Approach to Sustainability-related Disclosures

### Governance Structure

- ❖ Sustainability is embedded within CLP's business strategy and the CLP Board has overall responsibility over sustainability as well as business strategy. The Directors' Report includes the "Board's Statement on Sustainability", which explains the Board's oversight of sustainability matters and how CLP approaches and manages these matters (page 177).
- ❖ Sustainability governance has been institutionalised in our corporate governance structure throughout the Group. Set out below is CLP's Sustainability Governance Structure.



- ❖ As one of the Board-level Committees, the Sustainability Committee has a primary role in overseeing the management of the Group's sustainability matters and is supported by the management-level Sustainability Executive Committee (SEC). The Audit & Risk Committee, meanwhile, ensures appropriate assurance of ESG data and the materiality assessment process.
- ❖ The SEC, as a management executive committee, has the responsibilities of assessing and managing sustainability matters.
- ❖ Further information on CLP's sustainability governance, strategy, risk management, and metrics and targets can be found in the Managing What Matters to Our Business chapter, Risk Management Report, Sustainability Committee Report and Directors' Report of this Annual Report, as well as in the [Sustainability Report](#) published online at the same time as this Annual Report.

### Reporting Principles

CLP follows the reporting principles set out in the Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Code (ESG Reporting Code) for the 2024 Annual Report and [Sustainability Report](#), with details outlined below:

- ❖ **Materiality** – Since 2021, CLP has adopted the double materiality approach with regard to our Annual Report and Sustainability Report, meaning that our Annual Report covers financially material sustainability topics that could reasonably be expected to affect the Group's prospects, while our Sustainability Report includes sustainability topics where CLP has a material impact on people, the environment and the economy. In our 2024 reports, we provide a detailed description of our sustainability-related impacts, risks and opportunities (IROs) based on our materiality assessment, which involved megatrend analysis, peer review, research and extensive stakeholder engagement. The process was reviewed and assured again in 2024 by CLP's non-financial auditor.

- ❖ **Quantitative** – Relevant metrics and targets for each of the financially material topics are outlined in the respective sections of the Managing What Matters to Our Business chapter. The CLP Group’s sustainability-related KPIs are provided in the “Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data” on pages 290 to 293 of the Annual Report. Greenhouse gas emissions are reported with reference to the Greenhouse Gas Protocol.
- ❖ **Balance** – Based on our materiality assessment, we discuss our financial risks and opportunities, as well as the positive and negative impacts in our Annual Report and Sustainability Report, respectively; this ensures a more balanced discussion and representation of our performance.
- ❖ **Consistency** – In December 2024, the Hong Kong Institute of Certified Public Accountants issued the Hong Kong Sustainability Disclosure Standards (HKFRS S1 and HKFRS S2, “the Hong Kong Standards”), effective from 1 August 2025, on a full alignment basis with the IFRS Sustainability Disclosure Standards (International Sustainability Standards Board Standards). In accordance with HKFRS S1 and HKFRS S2, CLP’s Annual Report discloses information about sustainability- and climate-related risks and opportunities that could reasonably be expected to affect the Group’s prospects. To further enhance our disclosures of the financial effects of sustainability- and climate-related risks and opportunities in the next reporting cycle, a review is currently underway to address any reporting gaps. Climate-related disclosures are integrated into the latest edition of CLP’s [Climate Vision 2050](#) with current year performance outlined in the Annual Report.

### Reporting Scope

- ❖ CLP reviews our reporting scope regularly to ensure that the material impact of the Group’s overall portfolio is covered. The reporting scope captures any assets that were operating and later sold during the year.
- ❖ In 2024, assets added to the reporting scope included Sandu II Wind Farm and its battery storage facilities, Huai’an Nanzha Solar Power Station and its battery storage facilities, Yixing I Solar Power Station and its battery storage facilities, Guanxian battery storage facilities, Juancheng Wind Farm, West New Territories Landfill Phase II and Karera Power Transmission Limited. A1, A2 and A3 units of Castle Peak Power Station were retired in April 2024. CLP executed an early exit from Shandong Zhonghua Power Company Limited, an operator of coal-fired Heze II and Liaocheng I power stations in Mainland China. The power purchase agreement for the Gullen Range Wind Farm ended on 22 December 2024.

### Sustainability-related Disclosures in the 2024 Annual Report and 2024 Sustainability Report

- ❖ Details on how we report on the sustainability topics (including climate) in accordance with the ESG Reporting Code “comply or explain” requirements and related Listing Rules are set out below.
- ❖ We follow a thorough materiality assessment as the foundation for our sustainability strategy and disclosure. This has been well received by our stakeholders and users of our reports. Our materiality assessment process enabled us to determine which material topics are likely to affect the Group’s cash flows, access to finance or cost of capital in the short, medium and long term (**financial materiality**). Accordingly, those topics are disclosed in the **Annual Report**. Further information is available in the Managing What Matters to Our Business chapter on page 40.
- ❖ Topics where CLP has a **material impact** on the environment and society (i.e. a wide range of stakeholders including customers, people, business partners and the communities where we operate) are discussed in CLP’s online [Sustainability Report](#). This report is published at the same time as the Annual Report and captures the Company’s delivery of environmental and social value amidst the rapidly changing external circumstances.
- ❖ Effective from the financial year commencing on 1 January 2025, the Hong Kong Stock Exchange replaced Appendix 27 ESG Reporting Guide with Appendix C2 ESG Reporting Code, updating the Main Board Listing Rules. CLP has taken an early adopt approach to the ESG Reporting Code and our 2024 Annual Report and [Sustainability Report](#) follow the ESG Reporting Code.

- ❖ The table below sets out the environmental and social reporting topics (**financially material**) by reference to the aspects in the ESG Reporting Code, and discussions and data on these topics can be found in the corresponding chapters of this **Annual Report**. Aspects A1 (Emissions), A3 (The Environment and Natural Resources), B2 (Health and Safety), B4 (Labour Standards) and B8 (Community Investment) in the ESG Reporting Code are regarded as **impact material topics**. These are discussed primarily in the [Sustainability Report](#) and are also covered in the “Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data” on pages 290 to 293 of the Annual Report.

### Financially Material Topics

Environmental	
A2. Use of Resources (KPI A2.1 and KPI A2.3)	
❖ A Snapshot of CLP in 2024 (page 4)	❖ Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data (page 290)
❖ Managing What Matters to Our Business (page 40)	
Social	
B1. Employment	
❖ A Snapshot of CLP in 2024 (page 4)	❖ Managing What Matters to Our Business (page 40)
❖ Chairman’s Statement (page 12)	❖ Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data (page 290)
❖ CEO’s Strategic Review (page 16)	
B3. Development and Training	
❖ A Snapshot of CLP in 2024 (page 4)	❖ Managing What Matters to Our Business (page 40)
❖ CEO’s Strategic Review (page 16)	❖ Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data (page 290)
B5. Supply Chain Management (KPI B5.3)	
❖ A Snapshot of CLP in 2024 (page 4)	❖ Managing What Matters to Our Business (page 40)
B6. Product Responsibility (KPI B6.5)	
❖ Managing What Matters to Our Business (page 40)	



### Climate-related Disclosures

- ❖ The Hong Kong Stock Exchange outlined Hong Kong's requirements for climate-related disclosures in Part D of Appendix C2 ESG Reporting Code. Climate-related disclosures prepared in accordance with HKFRS S2 are considered to have complied with Part D of the ESG Reporting Code. For our 2024 reporting, we have prepared, as an early adopter, our climate-related disclosures in accordance with HKFRS S2; as for any reporting gaps that are currently permitted under the standard, a review is underway to further enhance our disclosures of the financial effects of climate-related risks and opportunities.
- ❖ CLP's climate-related disclosures are set out in the Annual Report, in particular the updated information for this reporting year such as relevant metrics and targets. Elements with respect to governance, strategy and risk management are also outlined in CLP's [Climate Vision 2050](#).
- ❖ For an index guide to the climate-related disclosures under HKFRS S2 as set out in this Annual Report, please refer to CLP's [Sustainability Report website](#).
- ❖ In Australia, mandatory reporting obligations under the Federal Government's climate-related financial disclosure framework – the Australian Sustainability Reporting Standards – took effect on 1 January 2025. EnergyAustralia is planning to release its first climate-related disclosures in accordance with these obligations in early 2026.

### Legal and Compliance

- ❖ In respect of the specific aspects of the ESG Reporting Code set out below, CLP has not had any non-compliance with the relevant laws and regulations that would have a significant impact on CLP:
  - A1 **Emissions:** air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste;
  - B1 **Employment:** compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare;
  - B2 **Health and Safety:** providing a safe working environment and protecting employees from occupational hazards;
  - B4 **Labour Standards:** preventing child and forced labour;
  - B6 **Product Responsibility:** health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress; and
  - B7 **Anti-corruption:** bribery, extortion, fraud and money laundering.
- ❖ Save for specific aspect B6 regarding EnergyAustralia, there was a case of non-compliance regarding pricing communications with EnergyAustralia's customers in 2022 and EnergyAustralia was fined by a court in Australia (see CEO's Strategic Review on page 16).

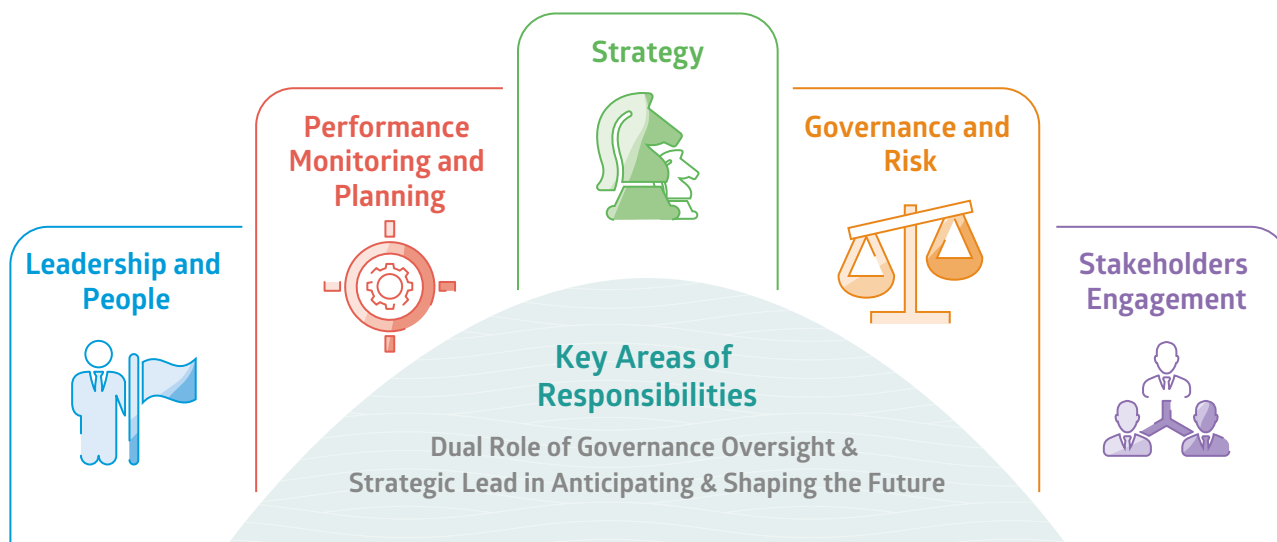
### Assurance

- ❖ As CLP's non-financial data assurer, KPMG conducted limited assurance on selected sustainability-related metrics as well as the materiality assessment process. The performance results are set out in the "Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data" and Managing What Matters to Our Business chapter. Assurance was conducted in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board (IAASB). The [Sustainability Report](#) includes the independent assurance report from KPMG for CLP's non-financial data and materiality assessment.

## Our Board

### The Board's Roles and Responsibilities

Our Board plays a critical role in ensuring that our corporate governance best serves the Company's interest in building a sustainable business. Under the leadership of our Chairman, the Board cultivates good governance as the cornerstone of our corporate culture.



### Board's Focus

The Board recognises that effective oversight and leadership over the affairs of the Company are critical to promoting the success of the Company. The following summarises the Board's focus during the reported period (full-year 2024 and for 2025 up to the date of this Report) (the Period):

Strategy	
Group strategy review	During the course of the Period, the Board approved the corporate strategy, this was after a comprehensive review, consideration and deliberation on a number of important topics and issues that the Directors partook in. This covered the assessment of geographical and energy segment markets, financial assessment and corporate positioning, and technology and digital related opportunities and applications.
Oversight of implementation – Management Briefing Sessions	A total of 17 sessions were held during the year where management provided briefings to the Board on each of the business units and key group functions as represented by the Group Executive Committee Members. A selected topic was scheduled for each of the briefing sessions.
Governance and Risk	
ERP Panel	As highlighted in the “2024 At a Glance”, the Board established a dedicated ERP Panel in 2024 to provide specific oversight of the ERP project.
Profit warning	The Company issued a profit warning announcement in early 2024 in connection with the impairment of EnergyAustralia's Customer business and the impact on the full year results of 2023. The Board was kept updated by management on the process of the impairment assessment of EnergyAustralia's Customer business.
Climate Vision 2050 target update	The Board assessed and approved the strengthening of the Climate Vision 2030 targets following the consideration and endorsement by the Sustainability Committee.

Governance and Risk	
Audit & Risk Committee activities	The Board received the overview from the Chairperson of the Audit & Risk Committee on the Committee's review of financial statements and oversight of risk management and internal control systems ahead of the Board's assessment of the full-year and half-year financial statements.
Board Committees updates	The Board received updates on the key matters considered by each of the Board Committees and ERP Panel at all of the Board meetings.
CLP Holdings Company Management Authority Manual Amendments	To accelerate the internal approval process for entering into energy contracts for the EnergyAustralia and CLP China business units, the Board approved the proposed Energy Contracts governance and changes to CLP Holdings Company Management Authority Manual.
Leadership and People	
Executives Transition	During the Period, there were changes regarding the executive leadership team and this included the key positions of Chief Financial Officer and Chief Transformation Officer and the Board was duly updated on these changes and in the case of the Chief Financial Officer, the Board considered and approved the succession arrangements and announcement.
Board and Board Committees refresh	As part of the Board and Board Committees refresh, the Board oversaw a number of changes to the composition and leadership of the Board and Board Committees, see "2024 At a Glance" on page 93.
Chairman's session	The Chairman held an annual meeting with the Independent Non-executive Directors only, which provided an open agenda format for the Independent Non-executive Directors to raise any matters of interest to the Group with the Chairman.
Performance Monitoring and Planning	
Operational incident updates	During the Period, there were a number of power related incidents of CLP Power and the Board took an active interest in these and received timely updates on these incidents.
Artificial Intelligence (AI) Briefing	Given the significance of the development of AI, management presented and briefed the Board on the application and opportunities associated with AI and how this could be governed at CLP. The Board had an engaging discussion with management on this topic.
Results and dividends	<p>The Board approved the following: 2023 and 2024 Annual Reports; 2024 Interim Report; the quarterly statements; and the dividends for the financial years ended 31 December 2023 and 2024; as well as the business plan and budget.</p> <p>In approving the Annual Reports and Interim Report, the Board also approved the financial statements and ensured that the statements give a true and fair view of the financial position of the Group.</p>
Regular updates to the Board	<p>The Board considered the matters covered in the CEO's Report where the CEO highlighted key issues on safety and business updates for each of the Group's markets. This enabled the Board to keep abreast of the material issues and developments of the CLP Group.</p> <p>In between Board meetings, the Directors received the CLP Group management report that provided updates on the Group's key financial information as well as reports on health, safety and environment. In addition, Management Briefing Sessions were held during the year as explained on page 102.</p>

Stakeholders Engagement	
Investors feedback and shareholders analysis	The Board was briefed on the investor feedback from the 2023 annual results roadshow and 2024 interim results roadshow. In addition, an investor perception study was undertaken which provided detailed feedback and insights from CLP’s institutional investors. The Board received a detailed briefing on the results of this study.
Hong Kong business	With the power related incidents of CLP Power, management shared with the Board on the key messages on engagement with CLP Power’s stakeholders.
Outside of the Boardroom	
Matters considered by the Board via circulation of Board Papers	<p>Outside the scheduled Board meetings, the Board received timely updates on, and considered, the following matters:</p> <ul style="list-style-type: none"> <li>Proposed change to Board Committee membership and Terms of Reference of the Nomination Committee;</li> <li>Investment for specific projects in Mainland China and EnergyAustralia; and</li> <li>Power related incidents (Hong Kong business).</li> </ul>

**Attendance at our Board meetings and the interaction between Senior Management and our Directors**

The partnership between our Board and Senior Management is highly transparent and collaborative. In addition to our CEO who is an Executive Director, our Board meetings are typically attended by our Senior Management team.

To complement the Board’s responsibilities and focus, the Board’s work is well supported by the Board Committees; see “Board Committees” on page 105.

**Board and Board Committees meetings held during the Period**

2024												2025		
Board														
				✓										
				+										
	B			B			B		B					B
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
A	A			A	A	A	F	H		A	H	A	A	
S	F			F	F	F	H	S		F	N		F	
	H									S			H	
	S												S	
Board Committees														
Board														
B	Board			I	Chairman with Independent Non-executive Directors			✓	AGM					
+	Chairman with all Non-executive Directors and Independent Non-executive Directors													
Board Committees														
A	Audit & Risk Committee			F	Finance & General Committee			H	Human Resources & Remuneration Committee					
N	Nomination Committee			S	Sustainability Committee									

In addition, 17 Management Briefing Sessions were held during the year, Directors have an open invitation to join these and attendance is entirely optional. Despite the attendance being optional, attendance on the part of Directors at these sessions were high and these sessions have been received well by the Directors.

## Board Committees

The Board delegates some of its responsibilities, with appropriate oversight, to the respective Board Committees and the delegated Listing Rules Code Provisions corporate governance duties\* are highlighted below. [Terms of reference and membership of all Board Committees](#) are disclosed in full on the websites of CLP and the Hong Kong Stock Exchange.

<b>Audit &amp; Risk Committee</b> (see full report on page 140)	❖ Corporate governance, compliance and code of conduct*
<b>Sustainability Committee</b> (see full report on page 148)	❖ Governance of sustainability matters*
<b>Nomination Committee</b> (see full report on page 153)	❖ Governance of Board-level matters and professional development of Directors*
<b>Human Resources &amp; Remuneration Committee</b> (see full report on page 156)	❖ Professional development of management*
<b>Finance &amp; General Committee</b>	❖ See this page for responsibilities and work done during the Period

## Membership of Finance & General Committee

Mr Andrew Brandler (Chairman), Sir Rod Eddington, Mr Nicholas C. Allen, Ms May Siew Boi Tan, Mr Chunyuan Gu, Mrs Kung Yeung Yun Chi Ann, Mrs Betty Yuen, Mr Diego González Morales, Mr Philip Lawrence Kadoorie and Mr T.K. Chiang.

### Responsibilities and Work Done

This Committee reviews the financial operations of the Company which include Group-wide financial, accounting, treasury and risk management policies, major financing transactions, corporate plans and budgets and business performance. The Committee also reviews major acquisitions or investments and their funding requirements. In addition, the Committee reviews the implementation of the Company's strategy approved by the Board and the performance and business environment of the Company; and the Committee will also identify any matters that should be referred to the Board for review and further consideration.

The work performed by the Committee during the Period included the review and consideration of the following matters:

- ❖ the Company's interim and annual results and the dividends payable to shareholders for the financial years ended 31 December 2023 and 2024;
- ❖ the CLP Group Business Plan and Budget 2025-2029 including the dividends profile for those years;
- ❖ 2025 tariff strategy for the Hong Kong business;
- ❖ Group strategic review briefing and workshop like sessions on topics covering market analysis, scenario planning financial assessment, corporate structure and positioning and technology and digital strategy;
- ❖ investment for specific projects in Hong Kong, Mainland China and Australia;
- ❖ the ERP project update briefing;
- ❖ the disposal of various non-core project investments;
- ❖ the proposed energy contract governance;
- ❖ the updates to the CLP Holdings Code of Conduct;
- ❖ the CLP Group liquidity position, funding requirements, financing initiatives and cost of capital study; and
- ❖ CLP's foreign exchange translation risk and counterparty exposures.

The nature of the work of the Committee includes the consideration of transactional items which may arise from time to time and require the review and approval by the Committee via circulation of papers on a time sensitive basis.

### Changes to Board Committees' Composition

There were a number of changes in the composition of the Board Committees during the Period, details of which are set out below:

- ❖ The Sustainability Committee was reconstituted and became a Non-executive Directors and Independent Non-executive Directors only Committee with effect from 1 January 2024 and accordingly, Mr T.K. Chiang and Mr Richard Lancaster, Executive Directors of the Company, stepped down from the Committee;
- ❖ Ms Christina Gaw stepped down as a Member of the Finance & General Committee with effect from 27 February 2024;
- ❖ Mr Diego González Morales was appointed as a Member of the Finance & General Committee with effect from 1 April 2024;
- ❖ Mrs Zia Mody retired as a Member of the Human Resources & Remuneration Committee following her retirement as an Independent Non-executive Director at the conclusion of the 2024 AGM;
- ❖ Mr Richard Lancaster retired as a Member of the Finance & General Committee following his retirement as an Executive Director at the conclusion of the 2024 AGM;
- ❖ Mrs Kung Yeung Yun Chi Ann was appointed as a Member of the Audit & Risk Committee and the Finance & General Committee with effect from 22 October 2024; and
- ❖ Mr Philip Kadoorie was appointed as a Member of the Finance & General Committee with effect from 1 January 2025.

### Directors' Attendance and Development

Our Directors attend to the affairs of the Group through their participation at the AGM, Board and Board Committee meetings, and perusal of Board papers.

In 2024, seven Board meetings were held and the overall attendance rate of Directors at Board meetings was 97.78% (2023: 93.48%). Details of Directors' attendance at the AGM, Board and Board Committee meetings (**attendance** / held) and development programme in the year 2024 are set out in the table on page 107.

17 Management Briefing Sessions were held for the Board and attendance for Directors were optional. This is a considerable increase in time commitment on the part of the Directors and it was pleasing to see that these sessions were well attended by the Directors.

	Board <sup>1</sup>	Audit & Risk Committee <sup>2</sup>	Finance & General Committee	Human Resources & Remuneration Committee	Nomination Committee	Sustainability Committee	AGM <sup>2,3</sup>	Directors Development Programme
<b>Non-executive Directors</b>								
The Hon Sir Michael Kadoorie	6/7 <sup>(C)</sup>				1/1		✓	B, C
Mr Andrew Brandler	7/7 <sup>(VC)</sup>		7/8 <sup>(C)</sup>	4/4		4/4	✓	A, B, C
Mr Philip Kadoorie	6/6					3/4	✓	A, B, C
Mrs Betty Yuen	6/6		7/8				✓	A, B, C
Mr Diego González Morales <sup>4</sup>	5/5		6/7				✓	A, B, C
Mr J.A.H. Leigh <sup>5</sup>	1/1						-	-
<b>Independent Non-executive Directors</b>								
Sir Rod Eddington	7/7		8/8				✓	A
Mr Nicholas C. Allen	7/7	5/6	7/8	4/4 <sup>(C)</sup>	1/1 <sup>(C)</sup>	4/4	✓	A, B, C
Ms May Siew Boi Tan	6/7	6/6 <sup>(C)</sup>	7/8	4/4	1/1	4/4	✓	A, B, C
Ms Christina Gaw <sup>6</sup>	7/7		1/1			4/4	✓	A, B, C
Mr Chunyuan Gu	7/7	6/6	7/8	4/4		4/4 <sup>(C)</sup>	✓	A, C
Mr Bernard Chan	7/7					3/4	✓	A, B, C
Ms Wang Xiaojun Heather	7/7	6/6		4/4			✓	A, B, C
Mrs Kung Yeung Yun Chi Ann <sup>7</sup>	2/2	1/1	1/1				-	C
Mrs Zia Mody <sup>8</sup>	1/1			1/1			✓	-
<b>Executive Directors</b>								
Mr T.K. Chiang <sup>9</sup>	5/5		8/8				✓	A, B, C
Mr Richard Lancaster <sup>10</sup>	1/1		1/1				✓	-

Notes:

- Included (a) an annual meeting where the Chairman met Independent and other Non-executive Directors in the absence of the Executive Directors and management; and (b) an annual meeting with the Chairman and the Independent Non-executive Directors as attendees only.
- Representatives of the independent auditor participated in every Audit & Risk Committee meeting and the AGM.
- Independent Non-executive Directors were available to take shareholders' questions specifically addressed to them during the AGM (of which there were none).
- Mr Diego González Morales was appointed as a Non-executive Director and a Member of the Finance & General Committee with effect from 1 April 2024. Prior to the appointment taking effect, he was advised on 4 March 2024 of his obligations as a Director and confirmed his understanding of such obligations.
- Mr J.A.H. Leigh retired as a Non-executive Director on 31 March 2024.
- Ms Christine Gaw stepped down as a Member of the Finance & General Committee with effect from 27 February 2024.
- Mrs Kung Yeung Yun Chi Ann was appointed as an Independent Non-executive Director, and a Member of the Audit & Risk Committee and the Finance & General Committee with effect from 22 October 2024. Prior to the appointment taking effect, she was advised on 18 October 2024 of her obligations as a Director and confirmed her understanding of such obligations.
- Mrs Zia Mody retired as an Independent Non-executive Director and a Member of the Human Resources & Remuneration Committee at the conclusion of the 2024 AGM held on 3 May 2024.
- Mr T.K. Chiang stepped down as a Member of the Sustainability Committee with effect from 1 January 2024.
- Mr Richard Lancaster stepped down as a Member of the Sustainability Committee with effect from 1 January 2024. He then retired as an Executive Director and a Member of the Finance & General Committee at the conclusion of the 2024 AGM held on 3 May 2024.
- Chairmen of the Board and Board Committees and the Vice Chairman of the Board are indicated by (C) and (VC) respectively.

### \* Directors Development Programme

All Directors participate, at the Company's expense, in continuous professional development and training, with appropriate emphasis to develop and refresh their knowledge on industry-related updates. Our Directors Development Programme includes:

- A – reading regulatory and industry related updates;
- B – meeting with local management and stakeholders, and visiting CLP's facilities and special projects with CLP's involvement; and
- C – attending expert briefings / seminars / conferences relevant to the business or director's duties. In addition, they have access to Chatham House (a leading independent policy institute based in London) publications and the opportunity to attend Chatham House events on topics relevant to our business.

### Onboarding for new Director

The Company has in place a set of Onboarding Guidelines with the key objective of assisting new Director in understanding of CLP's business, governance and Board and Committee dynamics. This sets out a structured onboarding process that would serve as a roadmap for new Director to gain a better understanding of CLP and our business environment.

Our Onboarding Programme for the newly appointed Director is individually designed with the specific Director in mind having regard to the Director's unique background, skills, experience and perspective. Components of our Onboarding Programme include:

- ◆ an introduction session;
- ◆ face-to-face and one-on-one meetings with the Chairman of the Board, Chairman of the Board Committees and the Senior Management who work closely with the Board and Board Committees;
- ◆ access to information that provides a broad overview of the CLP Group;
- ◆ invitation to attend Board Committee meetings to assist with the understanding of the work carried out by various Board Committees; and
- ◆ visits to the major facilities of CLP and / or special projects with CLP's involvement.

As part of the onboarding sessions for the newly appointed Directors, both Mr Diego González Morales and Mrs Kung Yeung Yun Chi Ann met with some of the executive members since their appointment. Mr Diego González Morales also visited CLP facilities during the year including visiting facilities in Mainland China and met with the operational management team.

## Directors' Time and Directorship Commitments

Our Directors, Non-executive Directors in particular, have demonstrated a strong commitment to the CLP Board affairs and they are well aware that they are expected to have a sufficient time commitment to the Board. Directors have given certain confirmations and made disclosures about their other commitments.

### ◆ Sufficient time and attention

- ◆ Directors have confirmed that they have given sufficient time and attention to the affairs of the Company for the year.

### ◆ Other offices and commitments

- ◆ Directors disclose to the Company twice a year the number, identity and nature of offices held in Hong Kong or overseas listed public companies and organisations and other significant commitments, together with an indication of the time involved.

### ◆ Other directorships

- ◆ None of our Directors, individually, held directorships in more than six public companies listed on the Hong Kong Stock Exchange (including the Company) as at 31 December 2024.

Our Executive Director does not hold directorship in other public companies; however, Executive Director is encouraged to participate in professional, public and community organisations.

In respect of those Directors who stand for election or re-election at the 2025 AGM, all their directorships and board committee membership held in listed public companies in the past three years are set out in the Notice of AGM. [Other details of the Directors' biographies](#) are set out under "Board of Directors" section on page 82 of this Annual Report and on CLP website.



## Board Evaluation

In 2024, an internal Board Review was conducted in the form of a Board survey. It aimed at soliciting valuable feedback and comments from Directors in preparation for the next external Board evaluation. The process involved each Director completing a confidential online questionnaire covering a broad range of topics including Board composition and dynamics, Board support, focus of meetings, oversight of strategy, risk and people, and external environment and stakeholders.

## Nomination and Appointment of Directors

Following the Nomination Committee's recommendations, the Board considered and appointed two new Directors in 2024: Mr Diego González Morales as a Non-executive Director; and Mrs Kung Yeung Yun Chi Ann as an Independent Non-executive Director.

### Non-executive Director Appointment

With the retirement of Mr J.A.H. Leigh as a Non-executive Director of the Company who retired from Sir Elly Kadoorie & Sons Limited (the entity which oversees the Kadoorie Family interest in CLP), the Board approved the appointment of Mr Diego González Morales (also a Director of Sir Elly Kadoorie & Sons Limited) as a Non-executive Director of the Company.

### Independent Non-executive Director Appointment

For the search process in the lead up to the appointment of Mrs Kung Yeung Yun Chi Ann as an Independent Non-executive Director, CLP followed a formal procedure and is guided by CLP's Nomination Policy, which is disclosed in the Nomination Committee Report on page 153.

### Process for appointing a new Director

#### Key Considerations for a New Director Appointment

- ❖ Search for potential new Director candidate(s) is guided by the strategic needs of the Company and the Board.
- ❖ Director candidates would, ideally, have the relevant experience and background to contribute on CLP's emerging strategic issues.

#### Nomination Committee

- ❖ Considers the candidates based on merit having regard to the experience, skills and expertise as well as the overall board diversity.
- ❖ Makes recommendations to the Board as appropriate.

#### Board

- ❖ Approves appointment of a new Director.

Newly appointed Director is:

- ❖ subject to election by shareholders at the first general meeting following the appointment.

#### Additional Requirements

- ❖ appointment is made through a formal letter; and
- ❖ subject to the retirement age guideline in our Board Diversity Policy, eligible for re-election.

#### Shareholders

- ❖ Approve the election of a Board appointed Director at the Company's general meeting.

#### Proposed Election

- ❖ election for each Director is considered as an individual resolution at the general meeting.

\* For existing Directors, they are subject to rotation at least once every three years and one-third of Board Members are required to retire at the AGM and are eligible for re-election.

## Why Board Diversity is Important to CLP

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

### CLP Board Diversity Policy adopted by the Board in 2013 (available on website)

#### The Policy incorporates:

- Code Provisions of the Corporate Governance Code
- Retirement Age Guideline (age 72) for Non-executive Directors (other than the Chairman)
- 30% target for female Director representation on the CLP Holdings Board – to be reviewed by the Nomination Committee annually
- Independence mechanism (for directors to express their views and feedback) will be reviewed by the Nomination Committee annually
- CLP Group Diversity and Inclusion Policy for Senior Management and Staff

#### Aspects of Diversity cover:

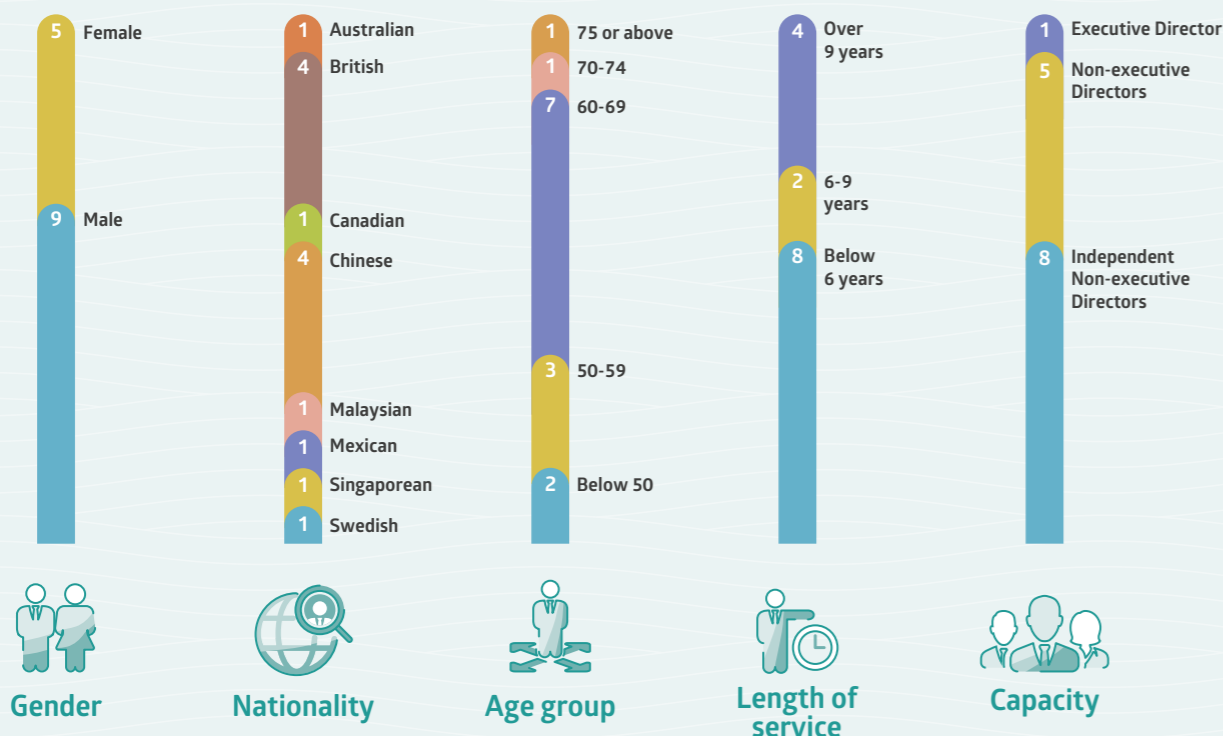
independence / gender / age / cultural and education background / professional experience / business perspectives / skills / knowledge / ethnicity / length of service

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. During the Period, our Board size slightly reduced from 15 to 14 due to the retirement of three Directors with the appointment of two Directors only.

## Board Composition & Diversity

### Key highlights:

Female Representation of **36%** / Independent Non-executive Directors Representation of **57%**



## 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.

### Directors' Skills and Expertise

	CLP market experience (Hong Kong / Mainland China (including Greater Bay Area) / Australia / India / Taiwan Region and Thailand)	Executive leadership	Related industry / global experience (Infrastructure / Power)	Professional (Accounting / Engineering / HR / Legal)	Sustainability (Environmental, Social & Governance)	Technology	Public administration	
<b>Non-executive Directors</b>								
The Hon Sir Michael Kadoorie	✓	✓	✓	✓	✓			
Mr Andrew Brandler	✓	✓	✓	✓	✓			
Mr Philip Kadoorie	✓	✓	✓	✓	✓			
Mrs Betty Yuen	✓	✓	✓	✓	✓			
Mr Diego González Morales	✓	✓	✓	✓	✓			
<b>Independent Non-executive Directors</b>								
Sir Rod Eddington	✓	✓	✓	✓	✓			
Mr Nicholas C. Allen	✓	✓	✓	✓	✓	✓		
Ms May Siew Boi Tan	✓	✓	✓	✓	✓			
Ms Christina Gaw	✓	✓	✓	✓	✓			
Mr Chunyuan Gu	✓	✓	✓	✓	✓	✓		
Mr Bernard Chan	✓	✓	✓	✓	✓		✓	
Ms Wang Xiaojun Heather	✓	✓	✓	✓	✓	✓		
Mrs Ann Kung	✓	✓	✓	✓	✓		✓	
<b>Executive Director</b>								
Mr T.K. Chiang		✓	✓	✓	✓			
<b>Coverage (% of entire Board)</b>	93%	100%	79%	100%	79%	100%	21%	14%
<b>No. of Directors (Full Board of 14)</b>	13	14	11	14	11	14	3	2

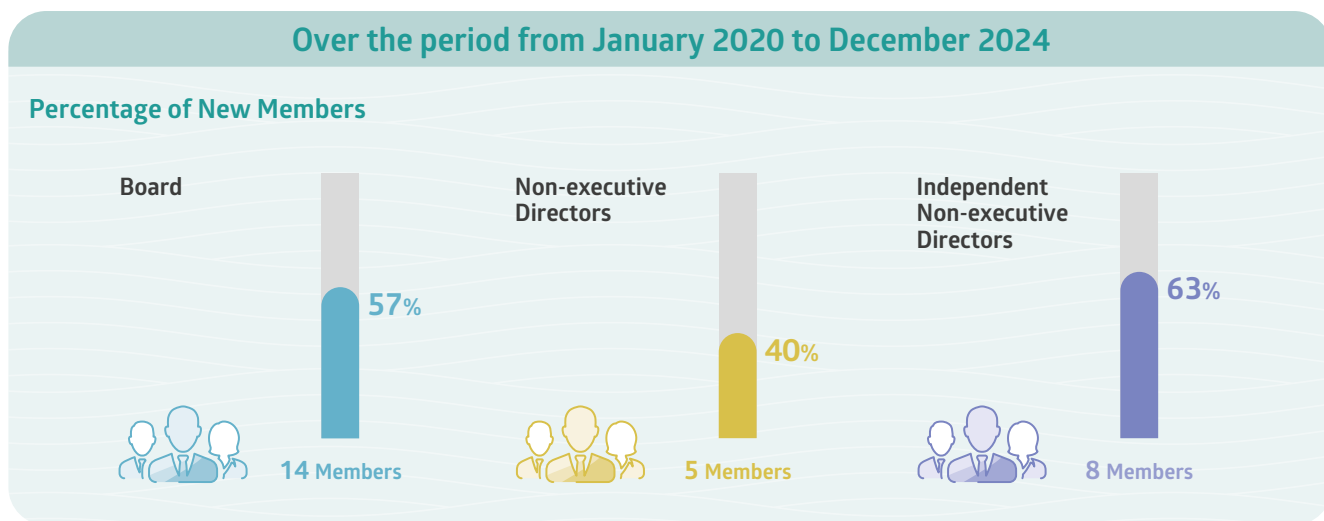
Note: Multiple professional background and experience may apply to a Director.

In terms of skills and experience that we may consider for future Directors appointments, these may include (i) energy experience, specifically in the area of decarbonisation or expanding into new markets and / or along the energy value chain; and (ii) seasoned professional with experience across governance, strategy and / or sustainability.

### How the Board has been refreshed

One initiative to enhance the Board’s diversity is to gradually refresh the composition of the Board.

As part of our continuing efforts to gradually refresh our Board, the Board saw two new appointments and three retirements in 2024. We believe that this is an important balancing act of bringing experienced Directors with fresh ideas and experience aligned with CLP’s strategic priorities and ensuring that the Board remains well represented by Directors with a good degree of CLP corporate knowledge, background and history. The diagram below shows how the Board has been refreshed over the past five years.



### Disclosure of Conflict of Interest and Independence of Directors

#### Conflicts

Directors are requested to declare their and their connected entities’ direct or indirect interests, if any, in proposals or transactions to be considered by the Board at Board meetings and withdraw from the meetings as appropriate. In addition, where there are actual or potential conflict of interests, restrictions on access to agenda materials will be put in place. In 2024, none of the Directors were required to withdraw from Board meetings in these circumstances.

The Company follows guidelines at each financial reporting period to obtain confirmations from Directors in respect of any transactions of the Company or its subsidiaries which are related to Directors or their connected entities.

In addition, identified significant related party transactions are disclosed in Note 31 to the Financial Statements.

#### Independence

For the year ended 31 December 2024, the Company received written confirmations from all of the Independent Non-executive Directors regarding the independence of each of them and their immediate family members.

Among the Independent Non-executive Directors of the Company, none of them has held cross-directorship with other Directors.

#### Our view on independence

The Company maintains the view that a Director’s independence is a question of fact and this is formally recognised in the Board Diversity Policy. The Board is committed to assessing this on an ongoing basis with regard to all relevant factors concerned, including the ability to continually provide constructive challenge for management and other Directors; to express one’s own views independent of management or other fellow Directors; and the gravitas inside and outside the boardroom. These attributes and desired behaviour have been demonstrated by our Independent Non-executive Directors as circumstances require.

### **Mechanisms for ensuring independent views and input**

The Company has established channels through formal and informal means whereby Independent Non-executive Directors can express their views in an open and candid manner, and in a confidential manner, should circumstances require.

Communication channels for Independent Non-executive Directors:

- ❖ dedicated meeting session between Independent Non-executive Directors and the Chairman only (before Board meeting);
- ❖ board evaluation conducted by external consultant once every three years and internal survey conducted in the intervening period;
- ❖ Independent Non-executive Director as Chairs of various Board Committees (other than Finance & General Committee) – Committee Chairs can update the Board Chairman as necessary; and
- ❖ other informal meetings outside the boardroom.

The Audit & Risk Committee has been asked to provide feedback and the Nomination Committee has been delegated with the authority to review the implementation and the effectiveness of the independence mechanism on an annual basis.

Taking into account all of the circumstances described in this section, the Company considers all of the Independent Non-executive Directors to be independent.

[Details of all Directors and their biographies](#) including, if any, relationship between the members are disclosed on pages 82 to 89 and on our website.

### **Directors' Shareholding Interests**

Directors' interests in CLP's securities as at 31 December 2024 are disclosed in the Directors' Report on page 176. All Directors have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2024 they have complied with the required standard set out in the Model Code and the CLP Code for Securities Transactions. The CLP Code for Securities Transactions is largely based on the Model Code set out in Appendix C3 of the Listing Rules and is on terms no less exacting than those in the Model Code.

### **Management and Staff**

CLP recognises the importance of diversity not just at the Board level but throughout the CLP Group. Our respect for people and diversity are embedded in CLP's Code of Conduct and our Board Diversity Policy has also incorporated the CLP Group Diversity and Inclusion Policy for Senior Management and Staff.

One of the key tasks of CLP's management and staff is the successful implementation of strategy and direction as determined by the Board under the leadership of our Chairman. This includes promoting and "living" the good corporate culture set by our Board over the years. In doing so, they must apply business principles and ethics which are consistent with those expected by the Board, CLP's shareholders and other stakeholders, and these have been documented in our Code of Conduct.

A key fundamental feature of CLP's corporate governance is a culture of "doing the right things right", this "tone" is set at the top of the organisation at the Board level and is embedded throughout our Value Framework, Code of Conduct, CLP Code and the Whistleblowing Policy.

### **Subsidiary Board Governance**

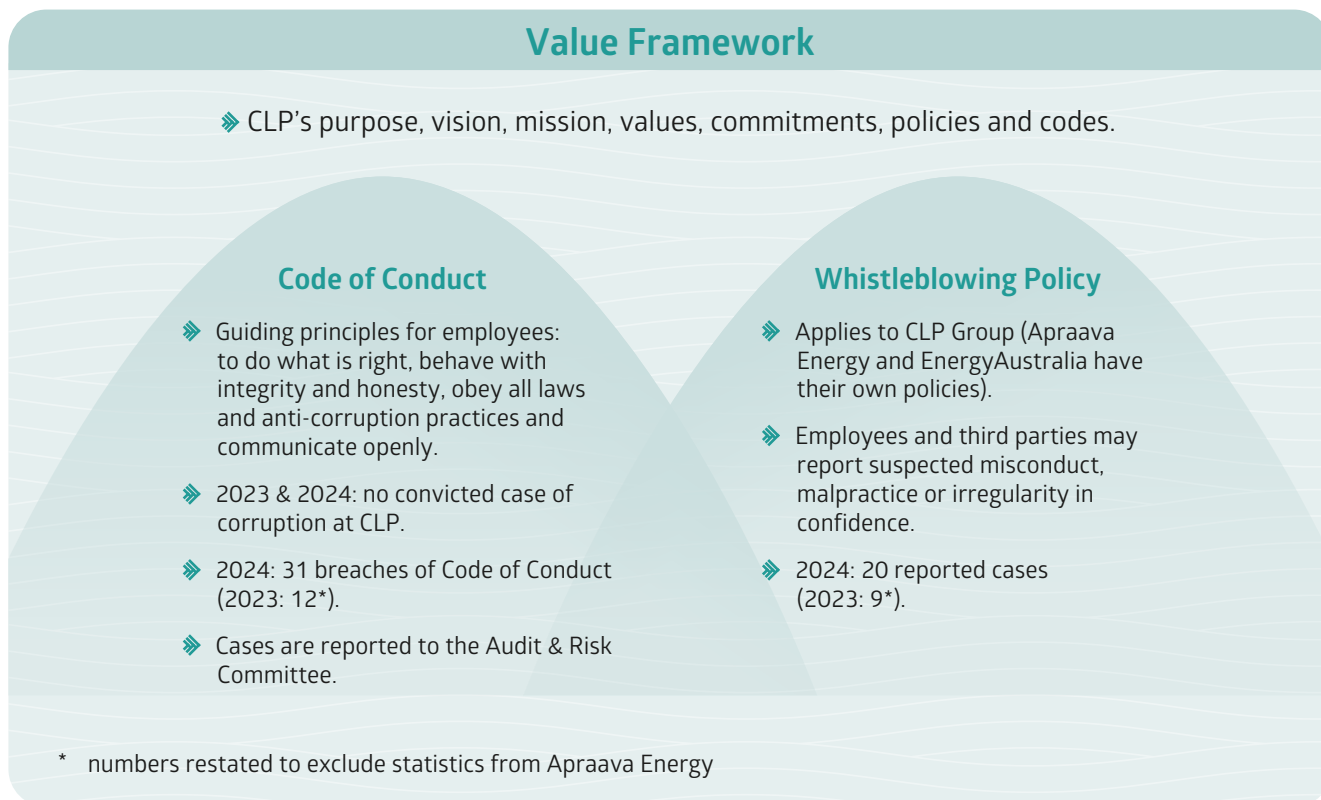
The subsidiary board governance plays an important part to ensure that at the management level, the culture set at the Holdings Board level is observed and followed and that the expected standard of business principles and ethics will be consistently applied at the subsidiary board and management level. A number of the subsidiary board positions are taken up by our mid-management leaders where their legal responsibilities at the subsidiary board level are aligned with their accountability in their business or functional capacity.

The mid-management subsidiary directors are of a certain level of seniority who are familiar with the CLP culture and have a solid understanding of their obligations and responsibilities as a corporate director and an organisational leader. These subsidiary level directors are expected to lead by example and help guide and oversee our people to ensure that the right culture is not just observed but is applied in how we conduct our business.

### Role of Management and Staff in Promoting Good Corporate Governance Practices

Our CEO has the overall responsibility for carrying out the strategy and direction set by the Board and for managing the Group's business. The delegation of authority by the Board to the Committees, Senior Management and management are prescribed in the form of a "Company Management Authority Manual".

Management and staff adhere to various Group policies that reflect the values and corporate culture of CLP.



### Ongoing Training

In addition to setting the right tone at the top, we recognise the importance of communicating effectively with our staff, and the need to cascade down the key messages and expectations of what are expected from them to ensure that everyone will work together to contribute to a good corporate governance culture.

In an increasingly challenging and uncertain environment, where organisations could potentially be more vulnerable to the heightened risk of fraud, we have rolled out a Fraud Risk Awareness e-training to all CLP staff including all new joiners as part of the mandatory induction training programme. The e-training focused on the importance of identifying different forms of potential fraud, and on how CLP staff can prevent, detect, respond to, and report cases of fraud.

We have also launched e-learning programmes on CLP Corporate Governance Framework and Internal Controls to reiterate the basic governance framework, principles and standards required for an effective system of management controls.

All the above-mentioned e-training are available on the CLP intranet for staff to understand, learn and refresh anytime as they see appropriate.

## Securities Dealing

Our Management and Staff are subject to CLP Securities Dealing Restrictions.

- ❖ We appreciate that some of our staff may in their day-to-day work have access to potential inside information.
- ❖ Our Senior Management and selected members of staff, “Specified Individuals”, are subject to securities dealing restrictions in the CLP Code for Securities Transactions.
- ❖ Securities Transactions: All members of the Senior Management have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2024 they have complied with the required standard set out in the Model Code and the CLP Code for Securities Transactions.
- ❖ Shareholding in CLP shares: None of the members of the Senior Management had interests in CLP Holdings’ securities as at 31 December 2024.

## Senior Management Training and Development

We have a formal procedure in place for reporting the training and continuous professional development of Senior Management. Members of Senior Management have access to a variety of training activities. These include access to online learning and information resources, formal executive development programmes at leading business schools and executive briefings on matters of topical interest provided through our strategic partnerships with organisations such as Chatham House, IMD and The Economist. We also make selective use of independent executive assessment and coaching processes to assist with identifying individual development needs and provide input to our succession planning decisions.

### Participation in Training and Continuous Professional Development of Senior Management and Company Secretaries in 2024

Senior Management and Companies Secretaries	Attending formal executive development / training programme	Attending expert briefings / seminars / workshops / conferences relevant to the business or their duties	Participating as speakers at events	Access to web-based learning resources
Mr T.K. Chiang	◆	◆	◆	◆
Mr Derek Parkin	◆	◆	◆	◆
Mr Law Ka Chun Joseph	◆	◆	◆	◆
Mr Chen Tao Roger	◆	◆	◆	◆
Mr Mark Collette	◆	◆	◆	◆
Mr Alex Keisser <sup>1</sup>	◆	◆	◆	◆
Mr David Simmonds <sup>2</sup>	◆	◆	◆	◆
Mr Michael Ling <sup>3</sup>	◆	◆	◆	◆

Notes:

- 1 Mr Alex Keisser was appointed as Chief Financial Officer, with effect from 1 April 2024.
- 2 During 2024, Mr David Simmonds, the Chief Strategy, Sustainability and Governance Officer, also the Joint Company Secretary, served as the President, the Chairman of the Technical Consultation Panel – Competition Law Interest Group, the convener of Prize Judging Panel and a member of the Governance Professionals Panel of the Hong Kong Chartered Governance Institute. Mr Simmonds is a committee member of the Standing Committee on Company Law Reform. He was also a frequent speaker at seminars and has fulfilled the relevant professional training requirements under the Listing Rules.
- 3 During 2024, Mr Michael Ling, the Joint Company Secretary, served as the Chairman of the Technical Consultation Panel and a member of Disciplinary Tribunal of the Hong Kong Chartered Governance Institute. He was a frequent speaker at seminars and has fulfilled the relevant professional training requirements under the Listing Rules.

### Organisation’s Gender Diversity

The importance of gender diversity at the CLP Holdings Board level is extended throughout the organisation. We believe a diverse workforce and an inclusive culture supports high performance and CLP’s ability to operate effectively in the many communities in which it operates. CLP has set targets to encourage more women into the workforce, and policies to support employees to balance work and home-life commitments. Considering the nature of our business and the markets we operate in, addressing gender diversity is a Group-wide priority to ensure a sustainable workforce and to deliver a wider, positive social and economic contribution. Group-wide gender diversity related metrics and targets as set in 2016 are:

- ❖ **Women in Leadership target:** to achieve gender balance in leadership positions by 2030 against a 2016 baseline of 22%; and
- ❖ **Women in Engineering target:** for 30% of engineers to be female by 2030 to a 2016 baseline of 9%.

The gender diversity across the Group for 2024 has been largely consistent with that of 2023. The Group is committed to promoting diversity and inclusion across the organisation in enhancing employee engagement, innovation and performance.

Further, from next reporting cycle, these metrics and targets will be further aligned with the newly refreshed Group-wide Diversity Equity and Inclusion strategy in service of CLP’s evolving organisational needs and employees and stakeholders expectations. For example, CLP will work towards a broader gender diversity agenda in enhancing women in STEM (encompassing engineering), to reflect the importance of digital and other related talent pools in transforming our business.

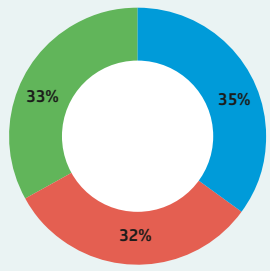
### Shareholders Engagement

Shareholding as at 31 December 2024				
Size of Registered Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
500 or below	2,413	13.9714	734,624	0.0291
501 – 1,000	3,289	19.0435	2,633,666	0.1042
1,001 – 10,000	7,848	45.4403	33,027,315	1.3073
10,001 – 100,000	3,298	19.0956	94,658,795	3.7467
100,001 – 500,000	355	2.0555	71,399,034	2.8261
Above 500,000	68 <sup>1</sup>	0.3937	2,323,997,136	91.9866
<b>Total</b>	<b>17,271<sup>2</sup></b>	<b>100</b>	<b>2,526,450,570<sup>3</sup></b>	<b>100</b>

Notes:

- 1 Information on the [10 largest registered shareholders](#) in the Company is set out on our website.
- 2 Actual number of investors is much greater as many shares are held through intermediaries including Central Clearing and Settlement System of Hong Kong (CCASS).
- 3 56.43% of all our issued shares were held through CCASS.
- 4 The Listing Rules required 25% public float was maintained throughout the year and up to 24 February 2025.

#### Shareholding by Category<sup>4</sup>



- Interests associated with the Kadoorie Family – our single largest shareholder group
- Institutional investors – mainly based in North America, UK, Europe and Asia
- Retail investors – mostly based in Hong Kong

The scale of our shareholders’ investment is reflected in the market capitalisation of CLP Holdings which stood at HK\$165 billion as at 31 December 2024.

## Shareholders' Rights

Shareholders are one of our key stakeholders and from a corporate governance perspective, the rights of our shareholders are well recognised and these include:

- ❖ the right to receive declared dividends and to vote and attend general meetings; and
- ❖ the [right to convene general meetings and to put forward proposals](#) – details of which can be found in our explanatory notes to the Notice of AGM and on our website or on request.

### *CLP's Dividends Policy*

We create long-term value to our shareholders through dividend payments. CLP's Dividends Policy, adopted by the Board in February 2019, aims to provide reliable and consistent ordinary dividends with steady growth when supported by our earnings whilst ensuring that a solid financial position can be maintained to fund our business growth. In line with our established practice, our ordinary dividends are paid four times a year in each of the quarters. [CLP's Dividends Policy](#) is available on the CLP website.

The Company's performance- and dividend-related dates for 2025 are set out in Information for Our Investors on page 304. The dividend decisions made by the Board for 2024 were in accordance with CLP's Dividend Policy.

## 2024 Hybrid AGM

The 2024 AGM was held in a hybrid format on 3 May 2024. Shareholders had the option of attending the AGM at the Principal Meeting Place or participating the AGM through the online platform.

Most of our Directors (including our Chairman), Senior Management and our independent auditor attended the physical meeting. Our Chairman, The Hon Sir Michael Kadoorie played host and delivered a keynote speech to open the meeting.

The opportunity for shareholders to attend the AGM and to send their questions in advance of the AGM and in real-time through the online platform allowed shareholders to express their views.

### *Highlights of the 2024 Hybrid AGM*


- ❖ All registered and non-registered shareholders who joined online could view a live webcast of the AGM, pose questions and cast votes in near real-time through the online platform. To ensure the Online AGM was conducted effectively, the Q&A box available on the online platform was also used to address procedural questions from shareholders.
- ❖ There was the call in function on the online platform allowing shareholders joining online to ask questions verbally.
- ❖ An attendance of around 860 shareholders, 69% of which participated physically and 31% participated online.
- ❖ A high level of votes approving the following major items:
  - ❖ the election and re-election of Directors ranging from about 97.40% to 99.81%; and
  - ❖ the general mandate to issue new shares of up to 5% of shares in issue only, at a price not being at a discount of more than 10% to a benchmarked price (about 97.56%) and to repurchase shares of not more than 10% shares in issue (about 99.93%).
- ❖ All questions posed at the Physical AGM and submitted through the online platform were answered during the AGM.



## Communication with Shareholders

### Multiple channels of communication and engagement

Our approach to shareholders communication and engagement include:

Channels	2024 Highlights
<b>Hybrid AGM</b>	<ul style="list-style-type: none"> <li>❖ Chairman keynote speech</li> <li>❖ Shareholders had option to join the AGM online or in person</li> <li>❖ Shareholders can vote in near real-time through the online platform</li> <li>❖ <b>High voting approval rate</b> on resolutions considered</li> </ul>
<b>Investor Meetings</b> (Led by CEO, CFO and Investor Relations Department)	<ul style="list-style-type: none"> <li>❖ Conducted over 150 investor meetings</li> <li>❖ Non-deal roadshows with investors in Hong Kong, Mainland China (Shanghai, Beijing, Shenzhen), Japan, Singapore, Australia, UK, Europe and North America</li> </ul>
<b>Analyst Briefings</b> (Led by CEO, CFO and Director – Investor Relations and attended by investment community)	<ul style="list-style-type: none"> <li>❖ Covering the Company’s interim and annual results</li> </ul>
<b>Shareholders’ Visit Programme</b>	<ul style="list-style-type: none"> <li>❖ 26 tours were held and over 460 shareholders participated in the visits in 2024</li> <li>❖ For each visit on the Directors and management hosted sessions, questions are either addressed on the spot or if there were suggestions or recommendations, these would be actioned and handled by management for follow up.</li> </ul>
<b>Investor Engagement Programme</b>	<ul style="list-style-type: none"> <li>❖ <b>Hong Kong Offshore LNG Terminal and Daya Bay Nuclear Power Station site visits</b> – for investment analysts covering CLP</li> </ul>
<b>Reports and Announcements</b>	<ul style="list-style-type: none"> <li>❖ Annual Reports, Interim Reports and online <a href="#">Sustainability Reports</a></li> <li>❖ Analysts presentation materials disseminated as regulatory announcement</li> <li>❖ Quarterly statements</li> <li>❖ Key announcements made: retirement and appointment of Non-executive Directors and Independent Non-executive Directors; retirement of Executive Director; profit warning impairment of goodwill of EnergyAustralia’s customer business; succession arrangements for the CFO</li> </ul>
<b>CLP Group Website</b> 	<ul style="list-style-type: none"> <li>❖ CLP’s approach on corporate governance and sustainability</li> <li>❖ Information on AGM including meeting proceedings and minutes</li> <li>❖ Investor Relations materials including results presentations, latest financial information and upcoming investor events</li> <li>❖ Analyst briefings materials</li> <li>❖ Publications and media releases</li> </ul>
<b>CLP Group Investor Relations app</b>	<ul style="list-style-type: none"> <li>❖ Access to key information and CLP updates (upcoming investor events, financial calendar and share price data at their convenience)</li> </ul>

These channels allow us to receive feedback from our shareholders and investment community. In addition, we have the shareholders’ hotline as well as dedicated investor relations and company secretary email accounts for taking enquiries and for receiving information requests from shareholders (see Information for Our Investors on page 304).

### Reviewing and enhancing shareholders communication

The Audit & Risk Committee is responsible for the annual review of the implementation and effectiveness of the [Shareholders' Communication Policy](#), which is available on our website. At the most recent review undertaken in November 2024, updates on the current procedures and editorial changes of the Policy were approved, and the implementation and effectiveness of the Policy was also confirmed.

### Group Internal Audit

CLP's Group Internal Audit (GIA) department plays a major role in monitoring the internal governance of the CLP Group. The head of the department, Senior Director – GIA, leads a well-resourced department of 23 highly qualified professional staff.

The Senior Director – GIA reports directly to the Audit & Risk Committee and administratively to the CFO and has direct access to the Board through the Chairperson of the Audit & Risk Committee. The Senior Director – GIA has the right to consult the Audit & Risk Committee without reference to management.

### Independent Auditor

The Group engages PwC (Certified Public Accountants and Registered Public Interest Entity (PIE) Auditor) as our external independent auditor and we regard their independence as a fundamental governance principle.

How the Group ensures the independence of the external auditor:

- ❖ The lead audit partner for CLP is subject to rotation every seven years (as per The International Federation of Accountants rules on independence of external auditors).
- ❖ As part of the rotation, the current lead audit partner was first appointed for the 2021 financial year-end audit and she did not have any prior involvement in the CLP Group audit.
- ❖ PwC is required to give an annual confirmation on their independence.
- ❖ The Audit & Risk Committee will assess PwC's independence in considering their re-appointment.

In addition, PwC will not be engaged to perform non-audit work unless the non-audit work meets the criteria suggested in the Listing Rules and has been pre-approved by the Audit & Risk Committee or its delegates. There must be clear efficiencies and value-added benefits to CLP from the work being undertaken by PwC, with no adverse effect on the independence of their audit work, or the perception of such independence.

During the year, PwC provided the following audit and permissible audit related and non-audit services to the Group:

	2024 HK\$M	2023 HK\$M
<b>Audit</b>	<b>47</b>	42
<b>Permissible audit related and non-audit services</b>		
Audit related services (including Continuing Connected Transactions limited assurance, limited assurance over regulatory reviews and reporting, audits of CLP's provident funds and auditor's attestation)	5	7
Non-audit services (including tax advisory and other services)	3	1
<b>Total</b>	<b>55</b>	50

(For these purposes, **permissible audit related and non-audit services provided by PwC** include any entity under common control, ownership or management with PwC or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally.)

The fees of PwC and other non-principal external auditors are shown in Note 4 to the Financial Statements.

For the year ended 31 December 2024, the fees for permissible audit related and non-audit services accounted for 9% and 5% of the total fees respectively.

## Other Stakeholders

Good governance requires due regard to the impact of business decisions (including impact on people, the environment and the economy), both on shareholders and on other key stakeholders. This Annual Report and our online [Sustainability Report](#) explain how we discharge our responsibilities to employees, customers, lenders, the environment and the communities in which we operate.

## Risk Management and Internal Control Systems

Effective risk management and internal control systems help the organisation anticipate its risk exposure, put controls in place to counter threats, and effectively pursue the set strategic and business objectives. They help ensure reliability of financial reporting, effective and efficient operations and compliance with applicable laws and regulations, and are therefore an essential part of an organisation’s operation and governance processes. This section explains (and contains cross references) the key features of our risk management and internal control systems.

### Risk Management Framework

CLP’s overall risk management framework is overseen by, and is the responsibility of, the Board, through its Audit & Risk Committee, and comprises four key elements.

Risk Management Philosophy	Risk Appetite	Risk Governance Structure	Risk Management Process
<p>CLP recognises that risk management is the responsibility of everyone within CLP and thus it is integrated into the business and decision-making process in which both risks and opportunities are viewed holistically.</p>	<p>The nature and extent of the risks that the Group is willing to undertake in pursuit of its strategic and business objectives.</p>	<p>Clear roles and responsibilities are assigned to multiple layers within the organisation. This structure facilitates risk identification and escalation.</p>	<p>Through an integrated top-down and bottom-up risk review process, which enables risks identification and prioritisation throughout the Group, management maintains an open and effective communication channel to enable the timely escalation of material risk and adequate supervision of risk mitigation.</p>

The way we manage risk is set out in the Risk Management Report on page 125.

## Internal Control Framework

CLP's structure of internal control is based on the internationally recognised COSO (Committee of Sponsoring Organisations of the Treadway Commission) 2013 integrated framework.

### CLP Internal Control Framework

Our internal control systems are designed to manage rather than eliminate the risk of failure in achieving our strategic and business objectives, and can only provide reasonable, but not absolute, assurance against material loss or misstatement.

#### Board and Audit & Risk Committee Review

- ❖ Responsible for the Group's risk management and internal control systems
- ❖ Review effectiveness of these systems covering management's assessment on:
  - ❖ Key business operations
  - ❖ Changes in material risks
  - ❖ Key internal controls
  - ❖ Audit and compliance issues

#### CEO and Group Executive Committee

- ❖ Review the effectiveness of risk management and internal control systems and report to the Board
- ❖ Ensure that robust risk management and internal control systems are established and functioning effectively
- ❖ Continuous monitoring and oversight

#### Group Functions

(Finance, Risk Management, Internal Control, Tax, Operations, Digital, Legal, Human Resources and Sustainability)

- ❖ Establish relevant Group-wide Policies and Procedures
- ❖ Oversee the risk and control activities relevant to respective functions

#### Risk and Control Owners

(Business Units, Functional Units and individuals)

- ❖ Responsible for the design, implementation, and maintenance of risk management and internal control systems within relevant area or responsibility
- ❖ Establish and communicate policies, standards, procedures, and guidelines to staff concerned, which reflect the business objectives, values and corporate culture of the Group



#### Group Internal Audit

Independence Assurance

- ❖ Risk-based approach, concentrating on areas with significant / emerging risks or areas with major changes or strategic importance
- ❖ Assurance on the adequacy and effectiveness of internal controls

### Management Assurance on Risk Management and Internal Control Systems

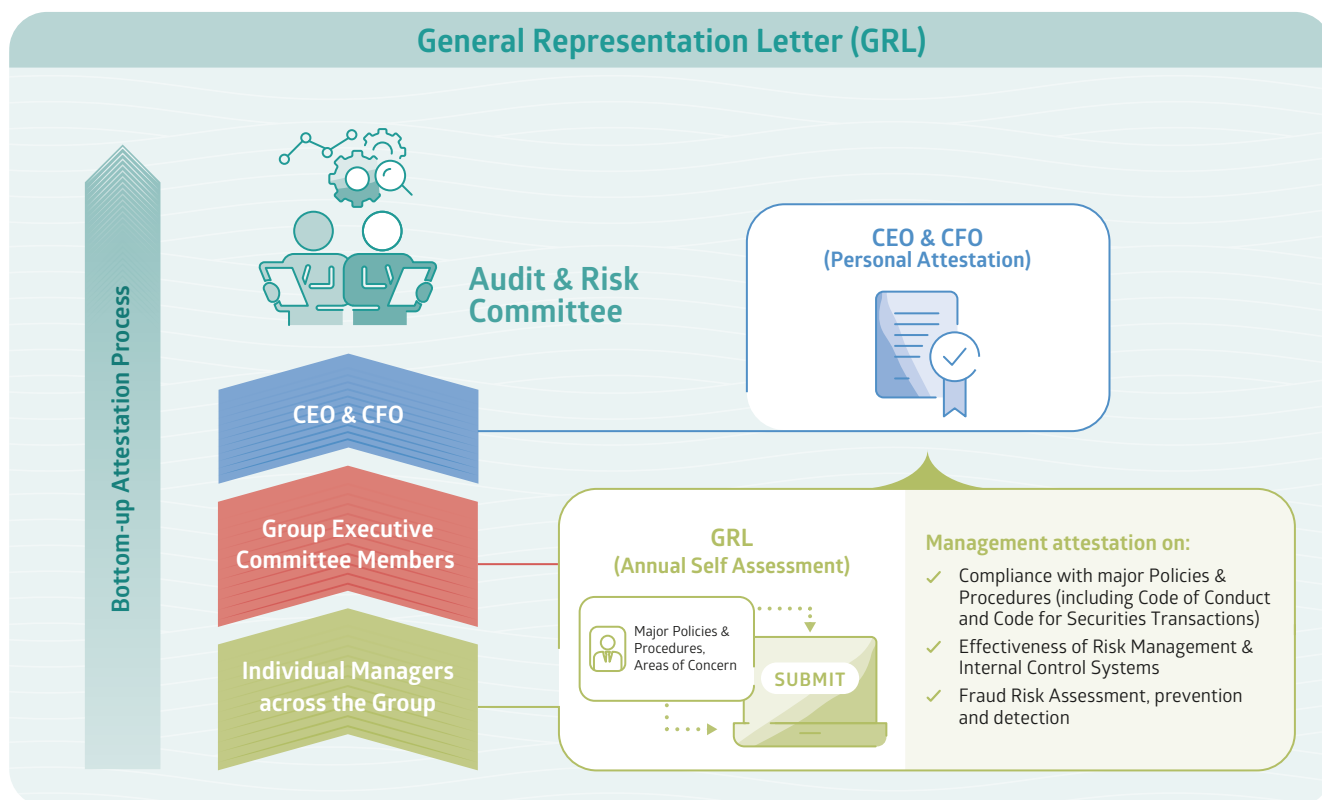
Management and designated staff evaluate the control environment and conduct risk assessments on business and processes. Material risks and associated controls, including mitigation when needed, are continually reviewed and updated. The Board is regularly informed of significant risks that may have an impact on CLP’s performance.

Integrated Assurance through Reporting and Attestation		Control Objectives		
		Operations	Reporting	Compliance
<b>CEO and Group Executive Committee</b>				
Regular management briefings	<ul style="list-style-type: none"> <li>Covers briefings to the Board on the Group’s and individual business units’ risks and opportunities, operational and financial performance.</li> </ul>	✓	✓	
Management Attestation – General Representation Letter	<ul style="list-style-type: none"> <li>Attestation on: compliance with our Code of Conduct, major policies and procedures; discharging duties on risk management and internal controls; the prevention, identification and detection of frauds.</li> </ul>	✓	✓	✓
<b>Group Internal Audit</b>				
Internal Audit Reports	<ul style="list-style-type: none"> <li>Audit reports: independent appraisal on compliance with policies and procedures, and evaluation of the effectiveness of the overall controls.</li> <li>Special review reports: focus on new business areas and emerging risks.</li> </ul>	✓	✓	✓
<b>Group Functions</b>				
Risk Management Report	<ul style="list-style-type: none"> <li>Compiles Quarterly Group Risk Management Report, that is reviewed and approved by the Group Executive Committee.</li> </ul>	✓	✓	✓
Internal Control Review Process	<ul style="list-style-type: none"> <li>Follows the substance of the requirements under the Sarbanes-Oxley Act on internal controls over financial statements.</li> <li>Covers the scoping of significant processes and controls, design and operating effectiveness assessment of in-scoped key controls. High risk key controls are tested annually while lower risk key controls are tested on a rotational basis.</li> <li>Key controls are also tested by the independent auditor where relied on for the audit.</li> </ul>	✓	✓	
Follow-up on outstanding audit issues	<ul style="list-style-type: none"> <li>Internal audit issues identified and associated remedial actions are followed up and the progress is reported periodically.</li> </ul>	✓	✓	✓
Legal and Regulatory Compliance Report	<ul style="list-style-type: none"> <li>Covers key regulatory compliance issues and legal cases for each region of the Group.</li> </ul>		✓	✓

Management Assurance

Board / Audit & Risk Committee (ARC)

## CLP's General Representation Letter Process



### Effectiveness of Risk Management and Internal Control Systems

Through the Audit & Risk Committee's review, the Board is responsible for the Company's risk management and internal control systems and for reviewing their effectiveness.

#### The review process

Five times a year, the Audit & Risk Committee reviews management's findings and the opinion of GIA regarding the Company's risk management and internal control systems. The reviews cover management's assessment of the internal controls of key business operations, changes in material risks, internal control and compliance issues (both financial and non-financial) and significant issues arising from internal and the external audit reports.

For the year ended 31 December 2024, the Board considered the risk management and internal control systems of the Group to be effective and adequate. No significant areas of concern that might affect shareholders were identified.

#### Inside Information

We have our own [Continuous Disclosure Obligation Procedures](#) which set out the procedures and controls for handling and dissemination of inside information. The Procedures are on the CLP website. Our Continuous Disclosure Committee (established in 2016) conducted regular assessment of potential inside information. The members of the committee include the CEO, CFO, the Joint Company Secretaries and the Director – Investor Relations. Please also see "Our disclosure" on page 96.

## Corporate Governance – Continuing Evolution

As part of good governance, we do review and assess our own corporate governance practices and policies to ensure that these will continue to be value enablers for the business. We hope this Corporate Governance Report has been able to demonstrate that.

Shareholders who wish to make enquiries with the Board can contact the Company Secretaries via our designated shareholders' hotline (852) 2678 8228, email at cosec@clp.com.hk or by posing questions at our general meetings. Requests for formal engagement with our management and / or Directors are also welcome.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Simmonds', written in a cursive style.

**David Simmonds**

Chief Governance Officer

Hong Kong, 24 February 2025