

## Message from the Chief Governance Officer



We are pleased to report on CLP's corporate governance for 2025.

It has been a busy year for our Board with a number of key corporate governance initiatives as highlighted in the "2025 At a Glance".

In our reporting, we are mindful to balance the new disclosure requirements, which will involve additional information, with the objective of presenting a Corporate Governance Report that is "user / reader" friendly and accessible. With that objective in mind, you will see that some areas in the Report have been streamlined in an approach consistent with that taken for the full Annual Report.

This year, as we reflect and report on our corporate governance initiatives for 2025, the main focus has been ensuring our corporate governance practices continue to be fit for purpose and forward looking.

**David Simmonds**  
Chief Governance Officer

"Governance at CLP...

... Fit for Purpose and  
Forward Looking."

## 2025 At a Glance

---

### Corporate Governance Regulatory Developments

- ◆ In this Report, we highlighted some of the corporate governance Listing Rules changes that took effect in 2025:
  - ◆ additional disclosures on mandatory directors training;
  - ◆ Board Progression Development;
  - ◆ a revised board skills matrix; and
  - ◆ a newly launched refreshed Inclusion and Diversity Strategy.
- ◆ The Board did not appoint a lead independent non-executive director (a Recommended Best Practice provision) as it was regarded that the existing communication channels for Directors and shareholders with the Chairman and management are adequate; such channels include our Chairman only sessions with Directors; shareholders' meetings with management and Directors through the annual Shareholders' Visit Programme and investors meetings.

---

### Board Refresh and Succession

- ◆ At the 2025 Annual General Meeting (AGM):
  - ◆ Sir Rod Eddington retired as an Independent Non-executive Director after almost 20 years of service on the Board; and
  - ◆ Mrs Ann Kung who was appointed by the Board in October 2024, was elected.
- ◆ The Board appointed Mr Peter Wilhelm Hubert Brien as an Independent Non-executive Director effective 27 February 2026. The appointment is part of the Board's plan to gradually refresh its composition.

---

### Board Offsite Meeting

- ◆ The Board held one of its meetings in Jinan, Chinese Mainland. As part of a two and a half day programme, Directors visited the CLP China business unit assets under construction in the Shandong region and a newly established joint control centre for the region's renewables projects.
- ◆ At the offsite Board meeting, the Board considered and assessed execution of the Group strategy; the recent power market and policy developments; and CLP China business unit strategy and organisational capabilities.

---

### Board Progression Development

- ◆ As part of our commitment to undertake an external board review process once every three years, in 2025, we commenced and conducted our "Board Progression Development". There is added significance in the title of this process, as the emphasis is on the forward looking nature of the exercise.
- ◆ For this Board Progression Development, we undertook an extensive selection process and a new external consultant, Lintstock, was engaged to provide a fresh perspective to this exercise.

## Corporate Governance – Culture, Purpose & Strategy



## Corporate Governance – Regulatory Matters

### The CLP Code

The Company has its own [CLP Code on Corporate Governance](#) (CLP Code) built on CLP’s own standards and experience. The CLP Code is on CLP website and available on request.

The CLP Code 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 Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange) (Listing Rules).

The Hong Kong Stock Exchange introduced a new set of corporate governance requirements effective 1 July 2025. Throughout the financial year ended 31 December 2025, the Company had complied with the code provisions as well as applied all the principles in the Corporate Governance Code. CLP deviates from only two recommended best practices in the Corporate Governance Code – that (i) an issuer should announce and publish quarterly financial results, and (ii) the appointment of a lead independent non-executive director.

## Deviation regarding Issuing Quarterly Financial Results and Appointing a Lead Independent Non-executive Director

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.

In respect of not having appointed a lead independent non-executive director, the Nomination Committee has considered the relevant requirements under the Corporate Governance Code and is of the view that the existing communication and engagement channels available to other Directors and shareholders to the Chairman and management are adequate. These established channels include Chairman-only sessions with the Directors as well as structured and regular engagement opportunities such as Shareholders' Visit Programme and investors meetings for shareholders to communicate with management and Directors. Given the effectiveness of these mechanisms, the Board considers that good communication can continue to be achieved without designating a lead independent non-executive director.

## 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 147).
- ❖ Sustainability governance has been institutionalised in our corporate governance structure throughout the Group. Set out below is CLP's Sustainability Governance Structure.



### 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 2025 Annual Report and Sustainability Report. The table below provides an overview of how each of the reporting principles\* – **materiality, balance, quantitative, and consistency** – is followed and reflected in our reporting:

	Annual Report <i>(Regulatory Disclosures under the ESG Reporting Code)</i>	Sustainability Report
<b>Materiality / Balance*</b> Double materiality assessment approach ♦ Assesses sustainability topics for both financial and impact materiality, identifying where topics fall into one or both dimensions	♦ Financially material sustainability topics (including related risks and opportunities)	♦ Sustainability topics where CLP has a material impact on people, the environment and the economy (including related positive and negative impacts)
<b>Quantitative*</b>	♦ Key ESG metrics disclosed in sections including “Strategic Framework” and the “Managing What Matters to Our Business” chapter  ♦ KPIs in the “Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data”	♦ The greenhouse gas accounting methodology and reported ESG metrics available in the “ESG Data Hub” and “ESG Databook”
<b>Consistency*</b>	♦ HKFRS S1 / HKFRS S2 disclosures on sustainability-related / climate-related disclosures, with cross-reference to CLP’s <a href="#">Climate Vision 2050</a>	♦ ESG metric disclosures have been streamlined. For further details, please refer to the “Reporting scope and data verification” section of the <a href="#">2025 Sustainability Report</a>
<b>Assurance</b>	♦ KPMG conducted limited assurance on selected sustainability-related metrics as well as the materiality assessment process  ♦ The assurance engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information  ♦ For greenhouse gas emissions, the engagement followed ISAE 3410, Assurance Engagements on Greenhouse Gas Statements  ♦ Both standards were issued by the International Auditing and Assurance Standards Board (IAASB)  ♦ The reported ESG metrics are located in the sections referenced in the “Quantitative” part of this table	
<b>Reporting scope</b>	♦ The reports cover the CLP Group’s sustainability performance for the calendar year ending 31 December 2025  ♦ Any assets that were operating under the Group (including those subsequently sold) during the year have been included in the reporting scope  ♦ For further details, please refer to “Reporting scope and data verification” section of the <a href="#">2025 Sustainability Report</a>	

### Sustainability-related and Climate-related Disclosures in the 2025 Annual Report and 2025 Sustainability Report

- ◆ Details on how CLP reports on the environmental and social aspects it considers financially or impact material, in accordance with the ESG Reporting Code’s “comply or explain” requirements, are set out below.
- ◆ Based on the Group’s 2025 materiality assessment, the following aspects under Part C of the ESG Reporting Code are considered **financially material**: A1 Emissions, A2 Use of Resources, B1 Employment, B3 Development and Training, B5 Supply Chain Management and B6 Product Responsibility. These topics are addressed in the **Annual Report**. Related policies are primarily disclosed in the [Sustainability Report](#), with further information available in the Annual Report.
- ◆ For A1 Emissions, B1 Employment and B3 Development and Training, only the general disclosures are considered financially material. For A2 Use of Resources, B5 Supply Chain Management and B6 Product Responsibility, both the general disclosures and certain key performance indicators (KPIs) are considered financially material. These KPIs are listed in the table below, with further information provided in the corresponding sections of this Annual Report.
- ◆ Aspects A3 The Environment and Natural Resources, B2 Health and Safety, B4 Labour Standards, B7 Anti-corruption and B8 Community Investment are regarded as **impact material**. These topics are discussed primarily in the [Sustainability Report](#) and are also covered in the ESG Databook.
- ◆ CLP’s climate-related disclosures for 2025 have been prepared in compliance with HKFRS S2. For complete content indices showing CLP’s disclosures under Part A – C of the ESG Reporting Code as well as HKFRS S1 and S2, please refer to the [Sustainability Report website](#).

### Financially Material Key Performance Indicators (KPIs)

Environmental	
A2. Use of Resources (KPI A2.1 and KPI A2.3)	<ul style="list-style-type: none"> <li>◆ Managing What Matters to Our Business – Energy Growth Opportunities (page 40)</li> <li>◆ Business Performance and Outlook – Hong Kong (page 52)</li> <li>◆ Five-year Summary: CLP Group Environmental, Social and Governance (ESG) Data (page 256)</li> </ul>
Social	
B5. Supply Chain Management (KPI B5.2, KPI B5.3 and KPI B5.4)	<ul style="list-style-type: none"> <li>◆ Managing What Matters to Our Business – Operational and Supply Chain Resilience (page 49)</li> </ul>
B6. Product Responsibility (KPI B6.5)	<ul style="list-style-type: none"> <li>◆ CEO’s Strategic Review (page 12)</li> <li>◆ Managing What Matters to Our Business – Digital Innovation and Cybersecurity (page 45)</li> <li>◆ Business Performance and Outlook – Hong Kong (page 52)</li> <li>◆ Risk Management Report (page 103)</li> </ul>

### Legal Compliance

- ◆ In respect of the specific aspects of the ESG Reporting Code set out below and on page 86, CLP has not had any non-compliance with the relevant laws and regulations that would have a significant impact on CLP, in regard to:
  - 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;
  - B4 Labour Standards:** preventing child and forced labour; and
  - B7 Anti-corruption:** bribery, extortion, fraud and money laundering.

## Corporate Governance Report

- ❖ The following non-compliance cases for EnergyAustralia have been disclosed in our [Sustainability Report](#):
  - B2 Health and Safety:** providing a safe working environment and protecting employees from occupational hazards – a safety-related offence in relation to a 2021 fire; and
  - B6 Product Responsibility:** health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress – (i) availability of payment assistance entitlements information for customers between 2019 and 2024, and (ii) failing to communicate best available prices to customers between 2022 and 2024.
- ❖ For further information, please refer to Business Performance and Outlook on page 50 and the “Legal compliance” section of the [2025 Sustainability Report](#).

## 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 2025 and for 2026 up to the date of this Report) (the Period):

Strategy	
Direction and outlook	<p>The Board travelled to Jinan, China for a full day off-site Board meeting. The main agenda was on the update to the Group Strategy with a particular focus on the Chinese Mainland market. This also covered the recent developments in the Chinese Mainland power market, CLP China's organisational capabilities and business development strategies.</p> <p>For our core home market, the Board analysed the Hong Kong regulated business and the recent key initiatives for the business.</p> <p>The Board also assessed and reviewed the strategy updates for Australia, India and Taiwan Region and Southeast Asia and including possible transaction opportunities for these markets.</p>
Governance and Risk	
Approval of the increase in transaction threshold delegations	To empower the business units to undertake investment in new projects, the Board approved an increased investment authority delegated to the Finance & General Committee, CEO and business unit leaders, whilst ensuring the necessary checks and balance arrangements are in place.
Regulatory Compliance	The Board exercised oversight of the management of the regulatory compliance cases for EnergyAustralia's retail business.
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.

Leadership and People	
Leadership and organisational effectiveness	<p>The Board reviewed the initiatives to enhance the executive remuneration framework aimed at deepening alignment between performance, accountability and long-term value creation.</p> <p>The Board also reviewed organisational capabilities of the CLP China business unit and how the team is structured in China and in the different regions.</p>
Board composition and succession	<p>The Board approved the succession of the EnergyAustralia board chair. In addition, the Board also oversaw the transition of the Chief Operations Officer role.</p> <p>As part of the Board and Board Committees refresh, the Board oversaw a number of changes to the composition of the Board and Board Committees including the appointment of a new Independent Non-executive Director.</p>
Chairman's session	<p>The Chairman held an annual meeting with the Independent Non-executive Directors only, which provided an open agenda for the Independent Non-executive Directors to raise any matters of interest to the Group with the Chairman. A separate session with the Non-executive Directors was also held.</p>
Performance Monitoring and Planning	
Results and dividends	<p>The Board approved the following: 2024 and 2025 Annual Reports; 2025 Interim Report; the quarterly statements; and the dividends for the financial years ended 31 December 2024 and 2025; 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.</p>
Stakeholders Engagement	
Investors feedback and shareholders analysis	<p>The Board was briefed on the investor feedback from the 2024 annual results roadshow and 2025 interim results roadshow.</p>
Key stakeholders for business units	<p>The Board also considered the increasing importance of the need to deepen the engagement efforts with key stakeholders for the core business.</p>
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>❖ investment for specific projects in EnergyAustralia and Taiwan Region and Southeast Asia; and</li> <li>❖ operational incidents updates for Apraava Energy, Nuclear business and CLP Power.</li> </ul>

## Corporate Governance Report

### 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 this page.

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

2025												2026	
Board													
				✓ +									
	B			B			B		B		I B		B
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
A	A F H S	F H E	F	A	A F H E	A F	S	F H E	F N S	A F	H N S E	A	A F H S
Board Committees													
<b>Board</b>	B Board		I Chairman with Independent Non-executive Directors		+ Chairman with all Non-executive Directors and Independent Non-executive Directors		✓ AGM						
<b>Board Committees</b>	A Audit & Risk Committee		F Finance & General Committee		H Human Resources & Remuneration Committee		N Nomination Committee		E ERP Panel (operates similarly to a Board Committee but as a non-permanent and project specific basis)		S Sustainability Committee		

In addition, nine 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 well received 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 114)	<ul style="list-style-type: none"> <li>Corporate governance, compliance and code of conduct*</li> <li>The governance and reporting on permissible audit related and non-audit services to the Group by external auditor, independence of external auditor, and details of the Group Internal Audit (GIA) function are set out in the Committee report</li> </ul>
<b>Sustainability Committee</b> (see full report on page 121)	<ul style="list-style-type: none"> <li>Governance of sustainability matters*</li> </ul>
<b>Nomination Committee</b> (see full report on page 125)	<ul style="list-style-type: none"> <li>Governance of Board-level matters, including board refresh and professional development of Directors*</li> </ul>
<b>Human Resources &amp; Remuneration Committee</b> (see full report on page 128)	<ul style="list-style-type: none"> <li>Professional development of management*</li> </ul>
<b>Finance &amp; General Committee</b>	<ul style="list-style-type: none"> <li>See page 89 for responsibilities and work done during the Period</li> </ul>

**ERP Panel** – This was established by the Board in April 2024 to provide specific oversight of the ERP project. Under the Terms of Reference of the ERP Panel, the ERP Panel is expected to meet four times a year. The ERP Panel operates similarly to a Board Committee except that it is being established as a non-permanent, project specific governance oversight forum. It will operate for the duration of the ERP project. The ERP Panel has primary Board level governance oversight of the ERP project. Certain specific aspects of the ERP project that concern financial reporting and control are brought and presented to the Audit & Risk Committee.

### Membership of Finance & General Committee

Mr Andrew Brandler (Chairman), Mr Nicholas C. Allen, Ms May Siew Boi Tan, Mr Chunyuan Gu, Mrs Ann Kung, Mrs Betty Yuen, Mr Diego Gonzalez Morales, Mr Philip Kadoorie and Mr T.K. Chiang.

#### Responsibilities and Work Done

The Committee's key roles and responsibilities are:

- ◆ reviewing 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;
- ◆ reviewing major acquisitions or investments and their funding requirements;
- ◆ reviewing the implementation of the Company's strategy; and
- ◆ identifying 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 2024 and 2025;
- ◆ the CLP Group Business Plan and Budget 2026-2030 including the dividends profile for those years;
- ◆ 2026 tariff strategy for the Hong Kong business;
- ◆ the proposed amendments to transaction thresholds delegation;
- ◆ investment for specific projects in Hong Kong, Chinese Mainland, Australia, India and Taiwan Region and Southeast Asia;
- ◆ the ERP project update briefing;
- ◆ 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

The composition of the Board Committees was changed during the Period. Mr Philip Kadoorie was appointed as a Member of the Finance & General Committee with effect from 1 January 2025; and Sir Rod Eddington retired as a Member of the Finance & General Committee following his retirement as the Independent Non-executive Director at the conclusion of the 2025 AGM.

Looking ahead, the Board approved the following changes:

- ◆ Audit & Risk Committee, Finance & General Committee and Sustainability Committee – Mr Peter Brien has become a Member of these Committees effective 27 February 2026;
- ◆ Nomination Committee – Mr Bernard Chan has become a Member of this Committee effective 27 February 2026; and
- ◆ Human Resources & Remuneration Committee – at the completion of 2026 meetings for this Committee, Ms Heather Wang will succeed Mr Nicholas C. Allen as Chair of this Committee and Mr Allen will continue as a Member of this Committee.

Directors' Attendance

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 2025, seven Board meetings were held and the overall attendance rate of Directors at Board meetings was 96.55% (2024: 97.78%). Details of Directors' attendance at the AGM and Board and Board Committee meetings (**attendance / held**) in the year 2025 are set out in the table below.

Nine 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 these sessions have been 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	ERP Panel <sup>3</sup>	AGM <sup>2,4</sup>
<b>Non-executive Directors</b>								
The Hon Sir Michael Kadoorie	6/7 <sup>(C)</sup>				2/2			✓
Mr Andrew Brandler	7/7 <sup>(VC)</sup>		12/12 <sup>(C)</sup>	4/5		4/4	3/4 <sup>(DC)</sup>	✓
Mr Philip Kadoorie	5/6		9/12			3/4		✓
Mrs Betty Yuen	6/6		11/12				4/4 <sup>(C)</sup>	✓
Mr Diego Gonzalez Morales	6/6		11/12					✓
<b>Independent Non-executive Directors</b>								
Sir Rod Eddington <sup>5</sup>	1/1		5/5					✓
Mr Nicholas C. Allen	6/7	6/6	10/12	5/5 <sup>(C)</sup>	2/2 <sup>(C)</sup>	2/4	4/4	-
Ms May Siew Boi Tan	7/7	6/6 <sup>(C)</sup>	12/12	5/5	2/2	4/4	4/4 <sup>(DC)</sup>	✓
Ms Christina Gaw	7/7					4/4		✓
Mr Chunyuan Gu	7/7	6/6	11/12	4/5		4/4 <sup>(C)</sup>	4/4	✓
Mr Bernard Chan	7/7					4/4		✓
Ms Wang Xiaojun Heather	7/7	6/6		5/5				✓
Mrs Ann Kung	7/7	5/6	8/12					✓
<b>Executive Director</b>								
Mr T.K. Chiang	5/5		12/12				3/4	✓

Notes:

- 1 Included (a) an annual meeting where the Chairman met Independent and other Non-executive Directors in the absence of the Executive Director and management; and (b) an annual meeting with the Chairman and the Independent Non-executive Directors as attendees only.
- 2 Representatives of the independent auditor participated in every Audit & Risk Committee meeting and the AGM.
- 3 ERP Panel operates similarly to a Board Committee but as a non-permanent and project specific basis.
- 4 Independent Non-executive Directors were available to take shareholders' questions specifically addressed to them during the AGM (of which there were none).
- 5 Sir Rod Eddington retired as an Independent non-executive Director and a Member of the Finance & General Committee at the conclusion of the 2025 AGM held on 9 May 2025.
- 6 Chairmen of the Board, Board Committees and ERP Panel are indicated by (C). Vice Chairman of the Board and Deputy Chairs of the ERP Panel are indicated by (VC) and (DC) respectively.

## Directors' Continuous Professional Development

All Directors participate in continuous professional development and training, with appropriate emphasis to develop and refresh their knowledge and skills on the topics that fall within the scope as specified in the Listing Rules. Our Directors' Continuous Professional Development Programme includes:

- ◆ reading materials;
- ◆ external and / or internal meetings with local management and stakeholders, and visiting CLP's facilities and special projects with CLP's involvement;
- ◆ attending expert briefings / seminars / conferences relevant to the business or director's duties; and
- ◆ having 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.

The table below illustrates the training details for each Director.

	Topics						Total number of training hours
	I	II	III	IV	V	VI	
	Roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness	Issuers' obligations and directors' duties under Hong Kong laws and the Listing Rules, and key legal and regulatory developments	Corporate governance and ESG matters (including developments on sustainability or climate-related risks and opportunities)	Risk management and internal controls	Updates on industry-specific developments, business trends and strategies	Miscellaneous	
CLP / Others	CLP / Others	CLP / Others	CLP / Others	CLP / Others	CLP / Others	CLP / Others	
<b>Non-executive Directors</b>							
The Hon Sir Michael Kadoorie	2/3	10/3	1.8/3.5	4/4.5	11/1.5	2/-	30.8/15.5
Mr Andrew Brandler	2/3	10/3	2.3/3.5	4/4.5	15.5/1.5	3/-	36.8/15.5
Mr Philip Kadoorie	2/3.6	10/5.7	2.3/7	2.5/6.3	17/1.5	4/-	37.8/24.1
Mrs Betty Yuen	2/-	10/-	5.3/-	4/-	29/-	7/-	57.3/-
Mr Diego Gonzalez Morales	2/3	10/3	1.8/3.5	4/4.5	15/1.5	2/-	34.8/15.5
<b>Independent Non-executive Directors</b>							
Mr Nicholas C. Allen	2/-	10/18.5	15.8/20.3	2.5/9	11.5/50.3	2/14.8	43.8/112.9
Ms May Siew Boi Tan	2/-	10/-	2.3/-	4/-	11.5/-	2/-	31.8/-
Ms Christina Gaw	2/-	10/-	2.3/-	2.5/-	11/-	3/-	30.8/-
Mr Chunyuan Gu	2/-	10/-	2.3/-	4/-	11.5/-	-/-	29.8/-
Mr Bernard Chan	2/-	10/-	2.3/-	2.5/-	11/-	3/-	30.8/-
Ms Wang Xiaojun Heather	2/-	10/-	27.3/-	2.5/-	11/-	-/-	52.8/-
Mrs Ann Kung	2/-	10/1	2.3/0.5	2.5/7	11/-	4/1.8	31.8/10.3
<b>Executive Director</b>							
Mr T.K. Chiang	2/-	10/-	9.8/-	4/-	52.5/-	9/-	87.3/-

Notes:

- 1 The number of training hours include the hours spent by Directors on programme provided by other listed companies ("Others") (i.e. out of CLP).
- 2 Of the training hours under CLP continuous professional development programme, some of which were provided by external providers on the following Topics:
  - ◆ 2 hours on Topic I;
  - ◆ 10 hours on Topic II;
  - ◆ 14.5 hours on Topic III;
  - ◆ 1.5 hours on Topic IV; and
  - ◆ 2 hours on Topic V.

## Corporate Governance Report

### *Onboarding for new Director*

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 members of the Group Executive Committee 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.

### **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 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 five public companies listed on the Hong Kong Stock Exchange (including the Company) as at 31 December 2025.

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 and re-election at the 2026 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 70 of this Annual Report and on CLP website.

### **Directors' Shareholding Interests**

Directors' interests in CLP's securities as at 31 December 2025 are disclosed in the Directors' Report on page 146. All Directors have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2025 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.

## Board Progression Development

In 2025, we conducted an external board review with one-on-one Director interviews, a process called “Board Progression Development”. This approach provides both backward- and forward-looking insights, accessing how the Board has performed and how well it is positioned to support the Group’s future strategic direction. The Board Progression Development was led by a new external consultant, Lintstock, bringing a fresh perspective to the process. Lintstock was selected after a procurement search exercise which invited a number of consultants to present. Lintstock was selected for their diverse international exposure and the independence of service. In advance of the Directors’ one-on-one interview, an online survey was also conducted to provide background for the interview. The full report will be provided to the Board in the first half of 2026.

## Nomination and Appointment of Directors

For the appointment of new Directors, CLP follows a formal and transparent procedure and is guided by CLP’s Nomination Policy.

### *Process for appointing a new Director*

CLP’s approach to appointing Directors begins with identifying potential candidates based on the strategic needs of the Company and the Board, including an outlook to the Board’s composition and the necessary skills; and how it would be refreshed over time. For new Independent Non-executive Directors, the search has been aided by a search consultant. The Nomination Committee then evaluates candidates on merit, taking into account their experience, skills, expertise and the overall board diversity, culture fit and Board dynamics; before making recommendations to the Board. The Board considers the recommended candidate and has the power and authority to appoint a new Director. A newly appointed Director must stand for election by shareholders at the first general meeting following the appointment, where each Director’s election is proposed as an individual resolution.

### *Recent example: Appointment of Mr Peter Brien*

**Skills mapping and considerations** – The Nomination Committee spent considerable time in ascertaining what skills would be needed on the Board in the coming years; specific regard was given to the time in which it would require for an incoming Director to onboard oneself to know the business and the organisation well enough to be able to provide considered advice to the Board and management and to provide the necessary constructive challenge.

**Key attributes** – The Nomination Committee identified the following key attributes: the skills and experience in the areas of corporate and sustainability strategy, governance oversight and board committee leadership; and the capacity (preferably based in Hong Kong) to play an active and leading role as an Independent Non-executive Director and as a member of various Board Committees.

**Search Process** – Consultants were engaged to conduct a search for candidates with the defined attributes and as part of the process, the long-list and short-list of candidates were updated to ensure that the short listed candidates captured all relevant and available candidates.

For existing Directors, they are required to retire by rotation at least once every three years, with one-third of Board members retiring at each AGM and being eligible, can stand 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. During the Period, our Board size slightly reduced from 14 to 13 due to the retirement of one Director only.

**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 Inclusion and Diversity 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**

### Board Skills and 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 and on page 95 highlights the breakdown of the skill set mix of our Directors and demonstrates the broad and diverse mix of experience and background relevant to CLP that the Directors bring to the Board and its Committees.

Expertise	Relevance to CLP
<b>Board / Board committees leadership / Other listed roles</b>	<ul style="list-style-type: none"> <li>Board and governance leadership experience are regarded as a strategic asset to the Board and Board Committees</li> <li>Other listed board roles bring in good practices as a board and / or board committee member of listed companies</li> </ul>
<b>CLP market experience</b> (Hong Kong / Chinese Mainland (including Greater Bay Area) / Australia / India / Taiwan Region and Southeast Asia)	<ul style="list-style-type: none"> <li>Facilitates the review of CLP's business and financial operations and investments in the respective region</li> </ul>
<b>Executive leadership</b>	<ul style="list-style-type: none"> <li>Provides insights into executive leadership and the management of CLP's business and operations</li> </ul>
<b>Related industry / Global experience</b> (Power sector)	<ul style="list-style-type: none"> <li>Facilitates the review of CLP's business operations and investment opportunities in the related industries</li> <li>Provides insights into the global economic trends and opportunities that CLP can explore</li> </ul>
<b>Strategy &amp; Governance</b> (including legal / regulatory / HR / finance / risk and accounting)	<ul style="list-style-type: none"> <li>Brings in oversight, advisory and operational experience in the respective field of profession</li> </ul>

Expertise	Relevance to CLP
<b>Sustainability</b> (including climate-related)	<ul style="list-style-type: none"> <li>Sustainability is core to our business both from the operational and strategic perspectives</li> </ul>
<b>Geopolitics / Government relations / Public policy</b>	<ul style="list-style-type: none"> <li>Brings in experience in the areas of regulatory and stakeholder engagement</li> </ul>

	Board / Board committees leadership / Other listed roles	CLP market experience (Hong Kong / Chinese Mainland (including Greater Bay Area) / Australia / India / Taiwan Region and Southeast Asia)	Executive leadership	Related industry / Global experience (Power sector)	Strategy & Governance (including legal / regulatory / HR / finance / risk and accounting)	Sustainability (including climate-related)	Geopolitics / Government relations / Public policy
<b>Non-executive Directors</b>							
The Hon Sir Michael Kadoorie	✓	✓		✓	✓	✓	
Mr Andrew Brandler	✓	✓	✓	✓	✓	✓	
Mr Philip Kadoorie	✓	✓			✓	✓	
Mrs Betty Yuen	✓	✓	✓	✓	✓	✓	
Mr Diego Gonzalez Morales	✓	✓	✓	✓	✓	✓	
<b>Independent Non-executive Directors</b>							
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>	<b>92%</b>	<b>100%</b>	<b>77%</b>	<b>54%</b>	<b>100%</b>	<b>100%</b>	<b>31%</b>
<b>No. of Directors (Full Board of 13)</b>	<b>12</b>	<b>13</b>	<b>10</b>	<b>7</b>	<b>13</b>	<b>13</b>	<b>4</b>

In terms of skills and experience that we may consider for future Directors appointments, these may include energy experience, specifically in the area of decarbonisation or expanding into new markets and / or along the energy value chain.

In relation to the areas of expertise on "Digital / AI / Cybersecurity", although these would be regarded as important in the context of the Group's business, however, the Board's skills and knowledge in these areas would be better addressed through other channels such as consultants and experts' briefings, instead of recruiting individual Directors with these specific skills and experience.

### 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 2025, 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 32 to the Financial Statements.

#### *Independence*

For the year ended 31 December 2025, 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 Progression Development conducted by external consultant once every three years on a one-on-one interview format and supported by questionnaires;
- ❖ Independent Non-executive Director as Chairs of various Board Committees (other than Finance & General Committee) – Committee Chairs can update the Board Chairman as necessary;
- ❖ offsite Board meeting facilitates communication between Independent Non-executive Directors and local management team;
- ❖ other informal meetings outside the boardroom; and
- ❖ through the Company Secretaries on a solicited and unsolicited bases.

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 70 to 76 and on our website.

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

### CEO and Senior Management

- ◆ leads execution of strategy
- ◆ promotes good corporate governance practices

#### responsible delegation to our staff through



- ◆ Company Management Authority Manual
- ◆ Subsidiary Board Governance
  - ◆ mid-management as operating entities directors
  - ◆ lead on culture and organisational responsibilities

### Management and Staff

guided by an ecosystem of guidelines, policies, codes and ongoing training and some of these are:

- ◆ Value Framework
  - ◆ CLP's purpose, vision, mission, values, commitments, policies and codes
- ◆ Group Inclusion and Diversity Policy
- ◆ Code of Conduct
  - ◆ Guiding principles for employees (amongst others): to do what is right, behave with integrity and honesty, obey all laws and anti-corruption practices and communicate openly
  - ◆ 2024 & 2025: no convicted case of corruption at CLP
  - ◆ 2025: 40 breaches of Code of Conduct (2024: 31)
  - ◆ Cases are reported to the Audit & Risk Committee
- ◆ Whistleblowing Policy
  - ◆ Applies to CLP Group (EnergyAustralia have their own policies)
  - ◆ Employees and third parties may report suspected misconduct, malpractice or irregularity in confidence
  - ◆ 2025: 26 reported cases (2024: 20)
- ◆ Ongoing Training (electronic based)
  - ◆ Fraud Risk Awareness
  - ◆ Corporate Governance Framework and Internal Controls

### Securities Dealing

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 Senior Management have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2025 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 Senior Management had interests in CLP Holdings' securities as at 31 December 2025.

### 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.

During 2025, **Mr David Simmonds, the Chief Strategy, Sustainability and Governance Officer, also the Joint Company Secretary**, served as the President, the Chairman of the Competition Law Interest Group, the convenor 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. **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.

### Shareholders Engagement

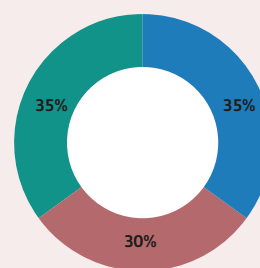
#### Shareholding as at 31 December 2025

Size of Registered Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
500 or below	2,378	14.23	718,734	0.03
501 – 1,000	3,195	19.12	2,560,019	0.10
1,001 – 10,000	7,564	45.27	31,929,094	1.26
10,001 – 100,000	3,163	18.93	90,441,042	3.58
100,001 – 500,000	345	2.06	69,220,238	2.74
Above 500,000	65 <sup>1</sup>	0.39	2,331,581,443	92.29
<b>Total</b>	<b>16,710<sup>2</sup></b>	<b>100</b>	<b>2,526,450,570<sup>3</sup></b>	<b>100</b>

#### Notes:

- Information on the [10 largest registered shareholders](#) in the Company is set out on our website.
- Actual number of investors is much greater as many shares are held through intermediaries including Central Clearing and Settlement System of Hong Kong (CCASS).
- 56.83% of all our issued shares were held through CCASS.
- The Listing Rules required 25% public float was maintained throughout the year and up to 26 February 2026.

#### 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

As at 31 December 2025, the market capitalisation of CLP Holdings was at HK\$176 billion.

#### *CLP's Dividends Policy (adopted in 2019, available on CLP website)*

*CLP's Dividends Policy 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.*

The Company's performance- and dividend-related dates for 2026 are set out in Information for Our Investors on page 270. The dividend decisions made by the Board for 2025 were in accordance with CLP's Dividends Policy.

## 2025 Hybrid AGM

The 2025 AGM was held in a hybrid format on 9 May 2025. Shareholders had the option of attending the AGM at the Principal Meeting Place or participating online.


The 2025 AGM was chaired by The Hon Sir Michael Kadoorie; most of our Directors, Senior Management and our independent auditor attended the physical meeting.

### Highlights of the 2025 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. A Q&A box available on the online platform was also used to address procedural questions from shareholders.
- ❖ “call in” function on the online platform was available allowing shareholders joining online to ask questions verbally.
- ❖ An attendance of around 799 shareholders, 72% of which participated physically and 28% participated online.
- ❖ A high level of votes approving the following major items:
  - ❖ the adoption of the new [Articles of Association](#) (above 93%) (to implement new arrangements regarding treasury shares and dissemination of corporate communications through our website); and
  - ❖ the revised levels of remuneration payable to all Non-executive Directors (over 99%).
- ❖ 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 – allow us to receive feedback from our shareholders and investment community*

Channels	2025 Highlights
<b>Hybrid AGM</b>	<ul style="list-style-type: none"> <li>❖ Shareholders can join the AGM online or in person and vote</li> <li>❖ The <a href="#">right to convene general meetings and to put forward proposals</a> – details of which can be found in our explanatory notes to the Notice of AGM and on our website or on request.</li> </ul>
<b>Investor Meetings</b> (Led by CEO, CFO and Investor Relations Department)	<ul style="list-style-type: none"> <li>❖ Conducted over 130 investor meetings</li> <li>❖ Non-deal roadshows with investors in Hong Kong, Chinese Mainland, Japan, Singapore, Australia, UK 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>❖ 70 tours were held and over 1,800 shareholders participated in the visits in 2024 / 25 season; including dialogue sessions with CLP representatives</li> </ul>
<b>Investor Engagement Programme</b>	<ul style="list-style-type: none"> <li>❖ Site Visit to Black Point Power Station – for institutional investors</li> </ul>
<b>Reports and Announcements</b>	<ul style="list-style-type: none"> <li>❖ Analysts presentation materials disseminated as regulatory announcement</li> </ul>
<b>CLP Group Website</b>	<ul style="list-style-type: none"> <li>❖ Information on AGM including meeting proceedings and minutes</li> <li>❖ Investor Relations materials including results presentations, latest financial information and investor events</li> <li>❖ Analyst briefings materials</li> </ul>
	
<b>CLP Group Investor Relations app</b>	<ul style="list-style-type: none"> <li>❖ Access to key financial and share price information and CLP updates</li> </ul>

### 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. The most recent review was undertaken in November 2025 and the implementation and effectiveness of the Policy were confirmed.

### Risk Management and Internal Control Systems

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 namely **risk management philosophy**, **risk appetite**, **risk governance structure** and **risk management process**.

The way we manage risk is set out in the Risk Management Report on page 103.

#### Internal Control Framework

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

#### 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 2025, the Board considered the risk management and internal control systems of the Group to be appropriate and effective. No significant areas of concern that might affect shareholders were identified.

## 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>		Management Assurance	Board / Audit & Risk Committee (ARC)			
Regular management briefings to the Board	<ul style="list-style-type: none"> <li>Update on the Group's risks and opportunities, operational and financial performance.</li> </ul>			✓	✓	
Management Attestation – General Representation Letter	<ul style="list-style-type: none"> <li>Attestation of compliance with our major policies and procedures; risk management and internal controls; fraud assessment.</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, emerging risks and thematic issues.</li> </ul>			✓	✓	✓
<b>GROUP FUNCTION(S)</b>						
Risk Management Report	<ul style="list-style-type: none"> <li>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.</li> </ul>				✓	✓

## Corporate Governance Report

### Inside Information

We have our own Continuous Disclosure Obligation Procedures which set out the procedures and controls for handling and dissemination of inside information. Our Continuous Disclosure Committee 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.

### Engagement and Contacts

In conclusion, we always welcome the opportunity to engage with our shareholders and should this be of interest to you, we can be contacted on [cosec@clp.com.hk](mailto:cosec@clp.com.hk).

By Order of the Board

A handwritten signature in black ink, appearing to read 'Simmonds', with a large, stylized initial 'S'.

**David Simmonds**

Chief Governance Officer

Hong Kong, 26 February 2026