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A Snapshot of CLP in 2022

Strategic Framework

Our purpose and strategy

Purpose

CLP provides sustainable energy solutions to create value for shareholders, customers, employees and the wider community. We aim to be the leading responsible energy provider in the Asia-Pacific region, from one generation to the next.

Strategy

Through our values and commitments, we work every day to grow our business and meet our strategic priorities: creating a **sustainable business portfolio**; **accelerating our response to climate change** for our business and the communities we operate in; **serving growing demand for energy solutions**; **leveraging technology** to deliver leading customer experiences and enhance operating performance; and **investing to build an agile and innovative workforce**.

Double materiality assessment

Material ESG topics:

Financially material

- Shaping and executing the transition to net zero
- Bolstering energy security and reliability
- Pursuing energy growth opportunities in our core markets
- Building an agile and innovative workforce
- Reinforcing resilience in a changing operating environment
- Aligning business activities with community, employee and customer expectations

Impact material

Megatrends analysis

Strategic priorities

Continue to grow a sustainable business portfolio

- Growing provision of energy solutions in the Asia-Pacific region underpinned by capital discipline

Accelerate our response to climate change

- Accelerate decarbonisation of CLP's portfolio, reinforce resilience in a changing climate and manage social impact

Serve growing demand for energy solutions

- Pursue growth opportunities from energy infrastructure, Energy-as-a-Service and customer-facing energy solutions

Leverage technology for experience and performance

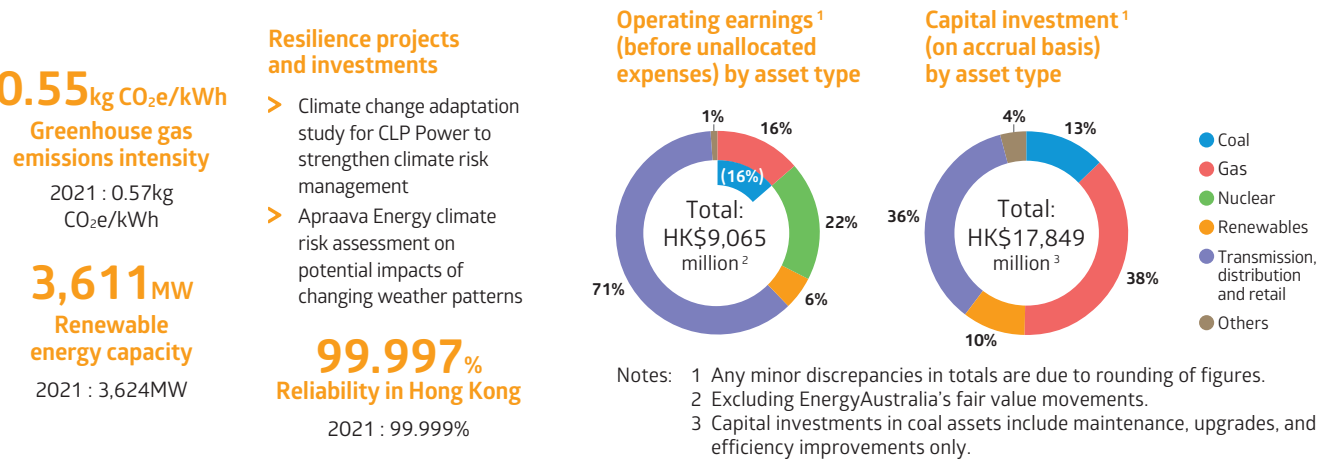
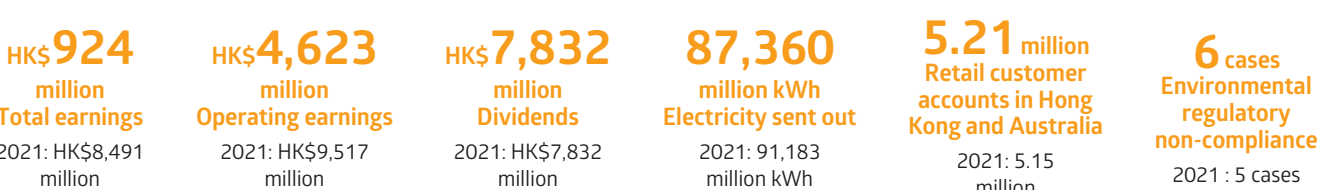
- Deliver leading customer experiences and empower customers in making better energy choices
- Adopt technologies to enhance operating performance and drive new business

Invest to build an agile, innovative workforce

- Invest to build organisational agility and develop future skills
- Support CLP's people to thrive in change, promoting health and wellbeing

How we measure success

Key performance indicators

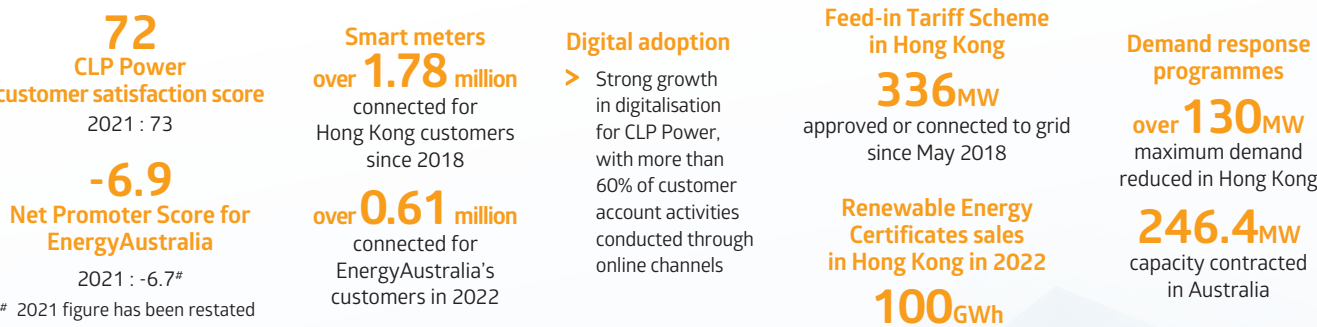


Initiatives / investments in new products and services

- MoU with Longhua District People's Government of Shenzhen Municipality on energy digitalisation
- Partnership with Venturous Group on smart energy technologies in the GBA
- MoU with ESR to develop sustainable data centres and logistics centres
- Joint venture with TGOOD to develop EV charging infrastructure in the GBA
- Partnership with SEA Electric to accelerate the transition to clean energy for truck fleets in Australia

Adoption of new products and services

- Distributed solar project at MTR Shenzhen headquarters in Longhua
- Joint initiative with DBS Hong Kong on sustainable financing for businesses linked to energy efficiency
- Build Hong Kong's first zero-carbon chiller system at Nina Tower with Chinachem
- Cooling-as-a-Service contract with SOCAM Development for Shui On Centre in Hong Kong
- Solar energy systems for shopping centres of Link Properties
- Hong Kong's biggest EV charging infrastructure project at The Regalia



Creating Value for Stakeholders

How we create value

At CLP, we utilise various capitals to create value for shareholders, customers, employees and the wider community.

Inputs used

Financing

- Shareholders' funds of HK\$105,498 million
- Total borrowings of HK\$59,217 million

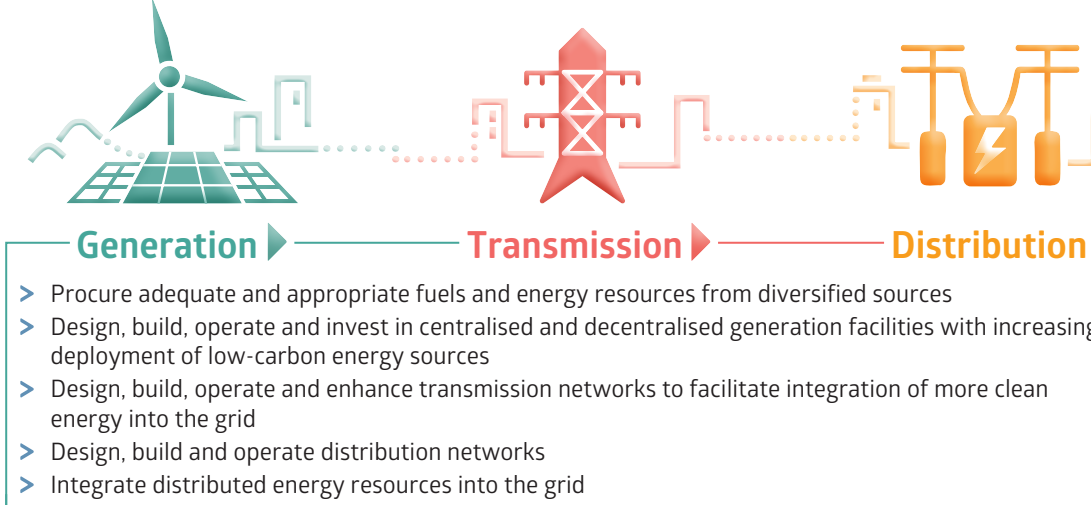
Resources and infrastructure

- Generation and energy storage capacity of 17,970 equity MW
- Long-term capacity and energy purchase agreements of 5,098MW
- 394,274TJ of coal and 151,327TJ of gas consumed
- Transmission and high voltage distribution lines of around 16,900 km
- 15,653 primary and secondary substations in Hong Kong

- Risks
- Financial risk
 - Commercial risk

- Risks
- Operational risk
 - Extreme weather as a result of climate change

What we do



Outputs

Competitive funding and attractive financial returns

- Total dividends of HK\$7,832 million to shareholders
- Strong liquidity position with access to cost-effective sources of sustainable financing
- Coal asset divestment to channel more capital to invest in clean energy

Capital Providers

Reliable, reasonably priced and low-carbon electricity supply and sustainable energy solutions

- Operational resilience and secure energy supply in core markets
- Stringent cost control to mitigate tariff impact for customers
- Diversified solutions to help customers improve energy efficiency and reduce emissions

Customers

CLP's key stakeholders

Talent and expertise

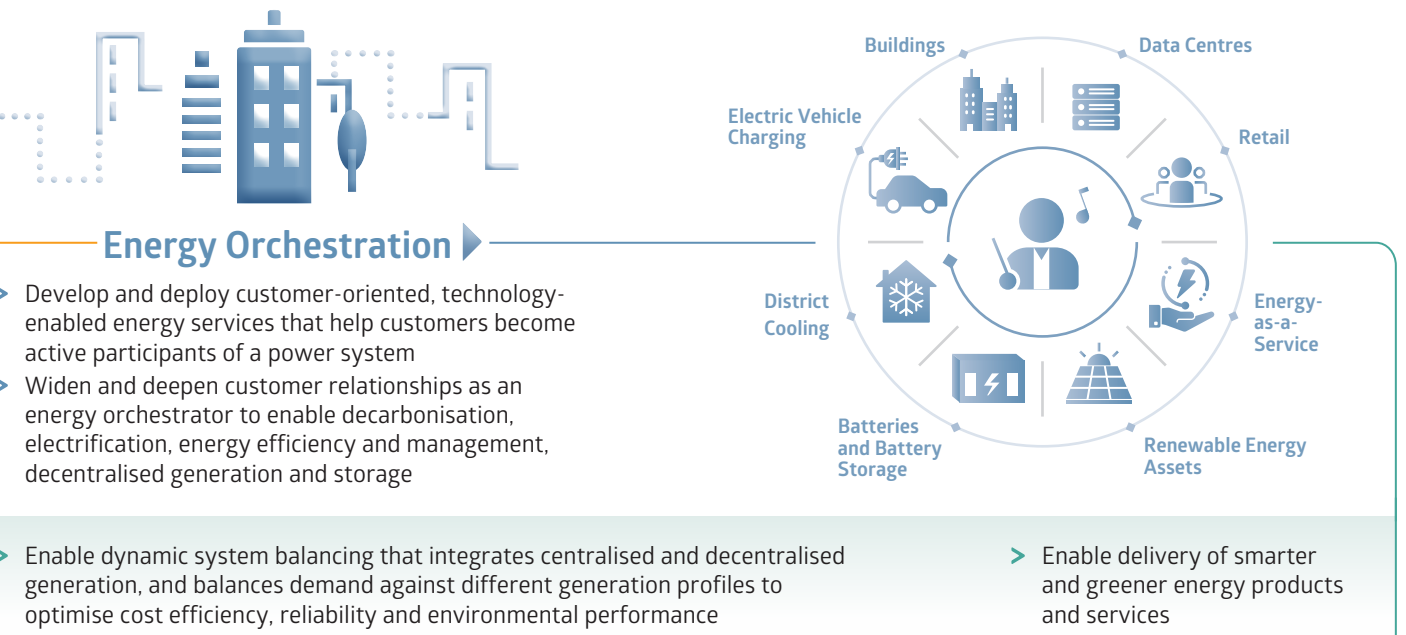
- 18,752 employees and contractors in our total workforce

- Risks
- Human resources risk
 - Health and safety

Technology

- Strengthened technological capabilities to develop Energy-as-a-Service business model
- Digitalisation of operations
- Investments in technology companies and funds
- Partnerships with innovation accelerators

- Risks
- Commercial risk



Safe workplace and career progression

- Comprehensive measures to safeguard wellbeing of workforce amid pandemic
- Over 6,000 employees and contractors participated in interactive online forum to shape workplace culture
- 41% increase in recruitment in core markets of Hong Kong and Mainland China
- Over 46 hours of internal and external training and development per employee on average

Our People

Contribution to policy, business and economic development

- Current income tax of HK\$1,649 million
- Operating costs of HK\$81,806 million
- Expanding partnerships for low-carbon economic transition
- Supporting national- to city-level policymaking on decarbonisation

Partners

Positive social impact/ climate action conscious

- Donations of HK\$10 million
- Strengthen community wellbeing and resilience as COVID-19 impacts recede
- Promote public awareness on decarbonisation and energy efficiency
- Commitment to youth development

Community



2022 Annual Report



2022 Sustainability Report