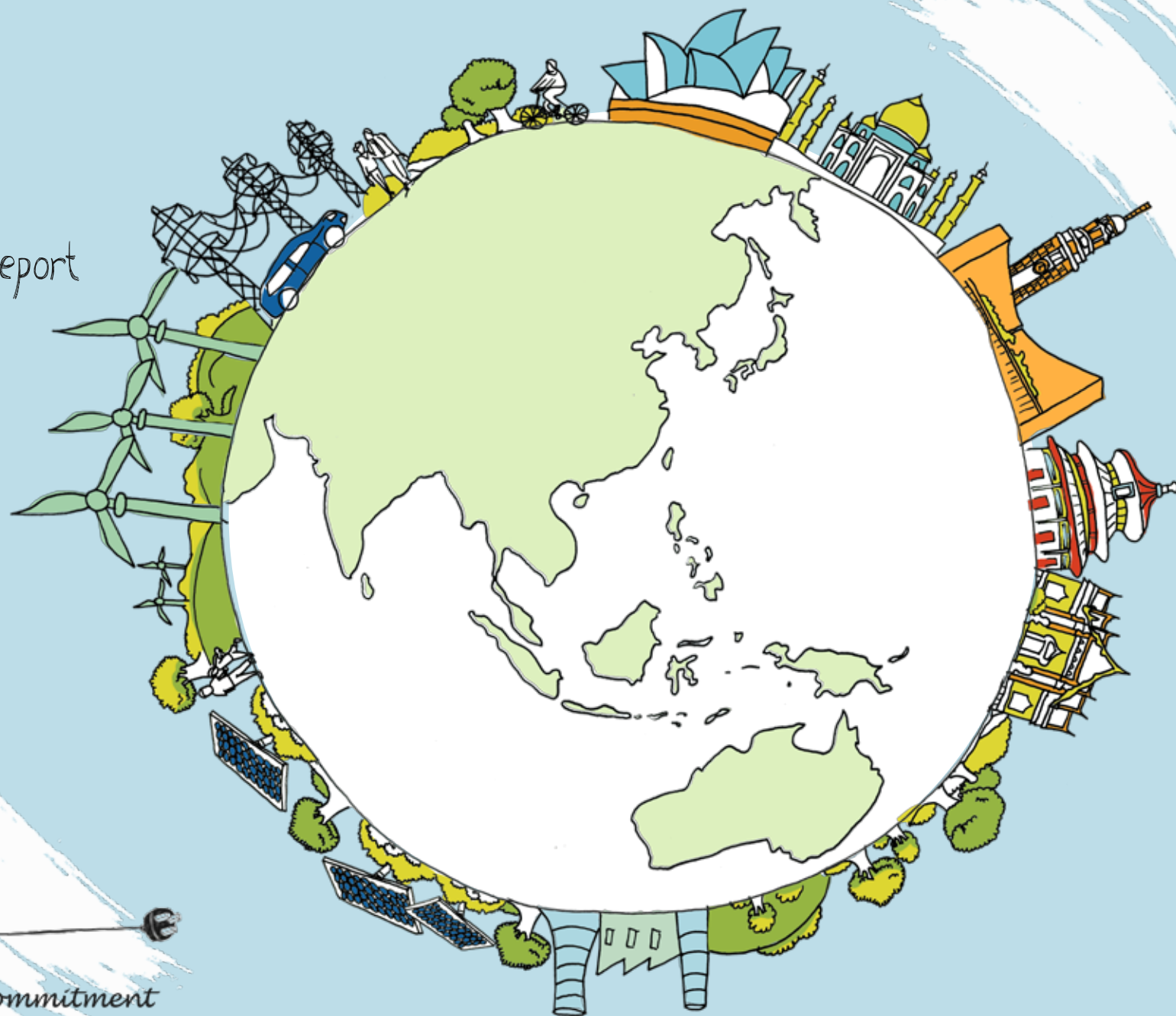


2015 In Essence Sustainability Report



*Our unwavering commitment
to the communities we serve*

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Submit the Feedback Form

Write to us

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We have been reporting on sustainability-related matters for over a decade and a half and both the content and format have been evolving to meet the changing expectations of our stakeholders. In response to feedback from our stakeholders desiring a further prioritisation of all the material aspects covered in our extensive online Sustainability Report, this year our In Essence Sustainability Report focuses on the most material aspects identified through our materiality assessment, which was further refined to generate this category.

This report covers CLP Group's sustainability performance for the calendar year ending 31 December 2015 and is published at the same time as our Integrated Annual Report. It contains the 'most material' subset of information for the company boundaries as defined in the [Sustainability Report online](#) that was prepared in accordance with the Core option of the Global Reporting Initiative's (GRI) G4 guidelines and the Electric Utilities Sector Disclosures, and the requirements of the Hong Kong Stock Exchange Environmental, Social and Governance (ESG) Reporting Guide (ESG Guide).

As in previous years, for every feedback we receive on our Annual Report, our Sustainability Report and / or our Annual Report snapshot online, we will donate HK\$60 to a designated charity or charities, up to a maximum cumulative amount of HK\$350,000. This year, the benefitting charities are Changing Young Lives Foundation and The Hong Kong Society for Rehabilitation – International and China Division.



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A BUSINESS WITH A PURPOSE

We run our business with an important purpose – to power the sustainable development of communities and society. The energy we provide helps to improve the quality of life, boost productivity and save lives every day. CLP is a company that aspires to be the leading responsible energy provider in the Asia-Pacific region, not just for this generation, but from one generation to the next. To achieve this, we strive to produce and supply energy with minimal environmental impact to create value for shareholders, employees and the wider community, in a constantly changing world.

“CLP is committed to working closely with local governments and communities to facilitate an orderly transition to a low carbon economy.”



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Changing for Sustainability

In 2014, we began a new milestone in addressing our changing needs by strengthening the sustainability-related governance and organisational structures and increasing resources invested in this area. While continuing our efforts on efficiency and effectiveness, we have increased our attention on innovation. We are building capability in this area and beginning to re-orientate ourselves to better position us to take advantage of the changes in our industry.

Changing for the Climate

The Paris Agreement delivered by 195 nations at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) in Paris in December, was a historic achievement. It provides much needed clarity on the future direction of the low carbon development plans of many countries. However, much remains to be done to implement the agreement. It requires cooperation between business and government on behalf of the communities they serve, to develop ambitious and pragmatic plans which balance safety, affordability and environmental factors appropriate to each energy market.

Managing the energy transition is a complex process requiring, at times, difficult choices to be made. In most places, fossil fuel generation, which is most carbon intensive, remains the cheapest and most reliable form of power generation. Wind and solar are the cleanest forms of energy for power generation but these resources are not always available and the fluctuations in power generated from these sources introduces considerable technical challenges for power grids. Shutting down fossil fuel assets to reduce emissions also has many ramifications. CLP strongly believes that policies need to address all of these issues.

In short, policies should facilitate transition in an orderly and sensible fashion by encouraging energy efficiency, the development of renewable energy and low carbon projects, whilst tackling existing emissions reduction through closure and decommissioning of existing plant over a reasonable period of time. In line with our Climate Vision 2050 aspirations, CLP looks forward to working closely with governments and communities to facilitate an orderly transition to a low carbon economy.

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Sustainability Principles

The announcement of the United Nations Sustainable Development Goals (SDGs) for 2030 inspired the development of our new Sustainability Principles. Our existing Sustainability Framework helped us to understand and internally align what sustainability means to us and has served us well. As we move forward, we need to focus on our top sustainability priorities so that we can continue meeting the changing aspirations of the communities we serve. Our new Sustainability Principles set the foundation for more strategic goal-setting at the Group level, where appropriate.

The Sustainability Principles are categorised under four focus areas: Economic Sustainability, Our People, Our Environment and Our Community. This year, we also refined our materiality process to prioritise further our efforts in this area in alignment with the new Sustainability Principles. The "In Essence" version of the Sustainability Report will cover only the most material aspects, whilst the full online version will cover all aspects defined as material.

Towards a Sustainable Low Carbon Future

In our current business plan, we are targeting for half of our investments outside of Hong Kong to be in renewable and non-carbon emitting energy. In developing markets, where new fossil fuel facilities still have a role to play, we intend to use high-efficiency coal-fired technology to minimise any environmental impacts. We believe we can assist emerging economies transition

to a low carbon future whilst also standing by our commitment to increase the share of renewable energy in our portfolio to 20% by 2020 and to reach our science-based carbon intensity reduction target of over 75% by 2050.

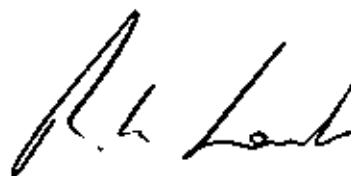
Companies, including CLP, need to work hand in hand with policy makers and communities to ensure an orderly and productive evolution. As a responsible investor in the Asia-Pacific power sector for so many years, we are ready and willing to take up this challenge.



The Honourable Sir Michael Kadoorie

Chairman

CLP Holdings Limited



Richard Lancaster

Chief Executive Officer

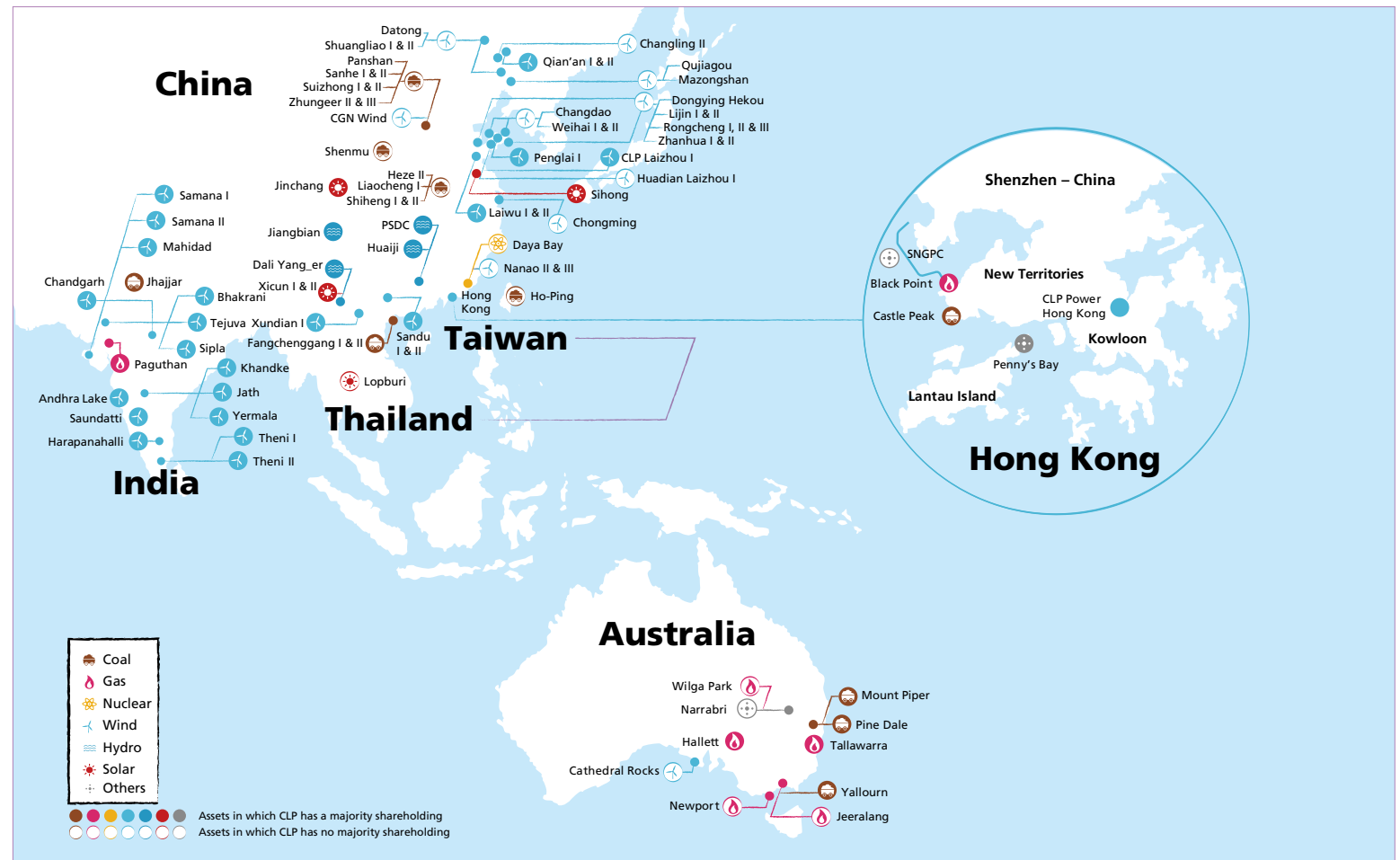
CLP Holdings Limited

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CLP Holdings Limited is a publicly held company that has been in the electricity business since 1901. Headquartered in Hong Kong, we are listed on the Hong Kong Stock Exchange and with over 80 assets, we are also currently one of the largest investor-operators of power assets in the Asia-Pacific region.



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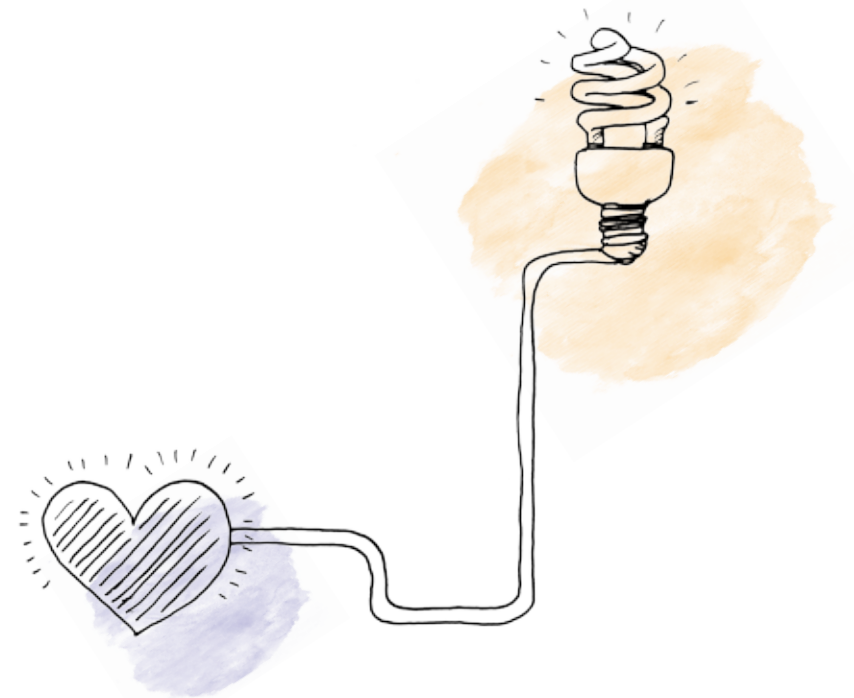
Employing 7,360 employees across the Asia Pacific region, our business includes: ownership of 18,180MW of power generation and 4,526MW of capacity purchase across Hong Kong, Mainland China, India, Southeast Asia & Taiwan and Australia, ranging from coal, gas, nuclear, wind, hydro and solar; 14,963 km of electricity transmission and distribution lines, 63,373 MVA transformers and 14,245 primary and secondary substations in Hong Kong; and retail of electricity in Hong Kong and electricity and gas in Australia, serving a combined total of 5.1 million customer accounts.

As of 31 December 2015, our revenue was over HK\$80 billion and our market capitalisation was HK\$166 billion.

Portfolio Changes

Significant Changes to our business portfolio in 2015 included:

- In Mainland China,
 - the cessation of Beijing Yire coal-fired power station operations to support Beijing's effort to combat air pollution despite being compliant with regulatory emissions requirements, and
 - the addition of 90MW of solar projects.
- In India, 190MW of new wind capacity coming online.
- In Australia, the completion of EnergyAustralia's sale of Iona Gas Plant in Victoria.



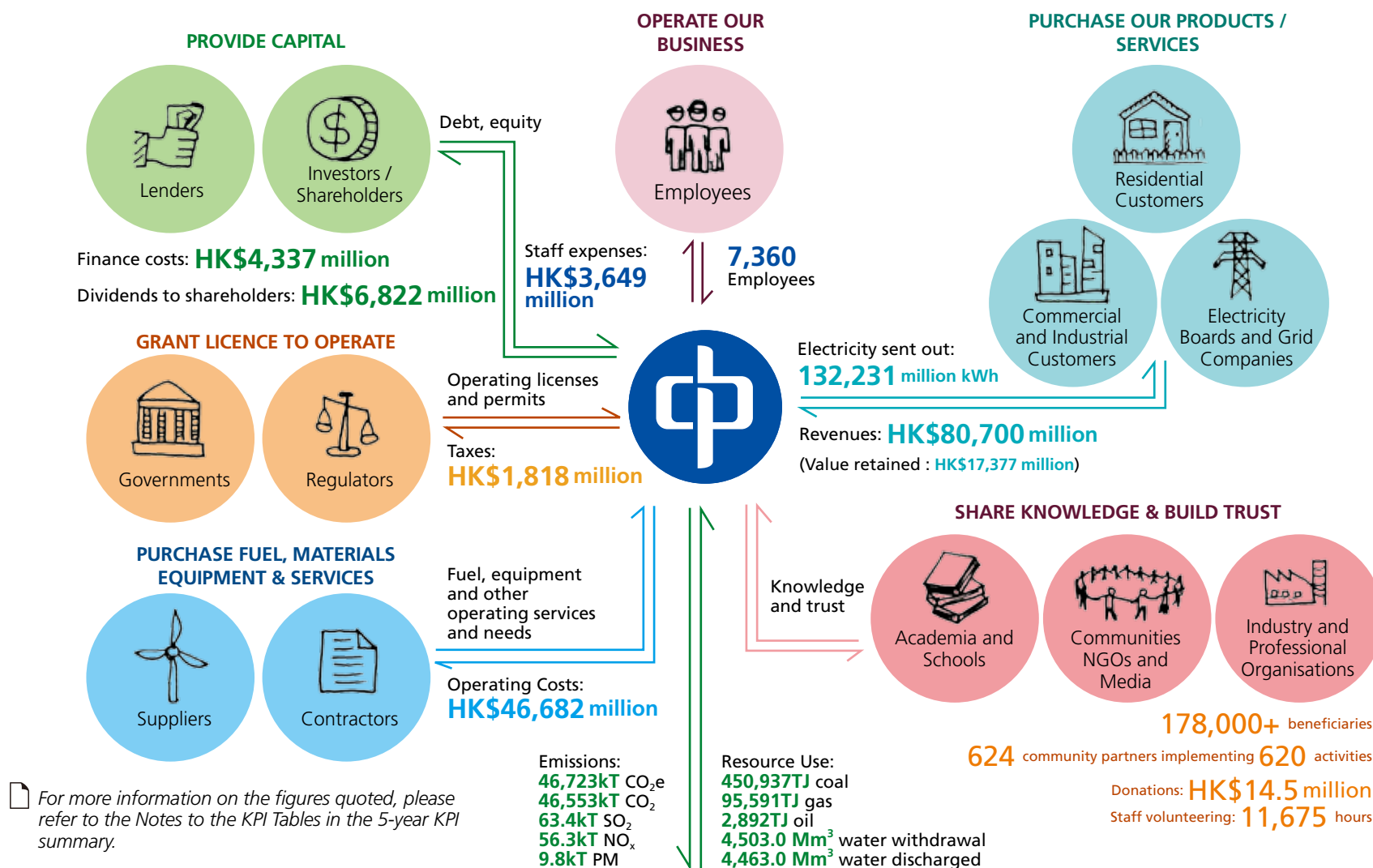
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CREATING VALUE FOR OUR STAKEHOLDERS

At the heart of our success is our value creation process, which draws on various inputs and, through our business activities, converts them to outputs that create positive value for our stakeholders.



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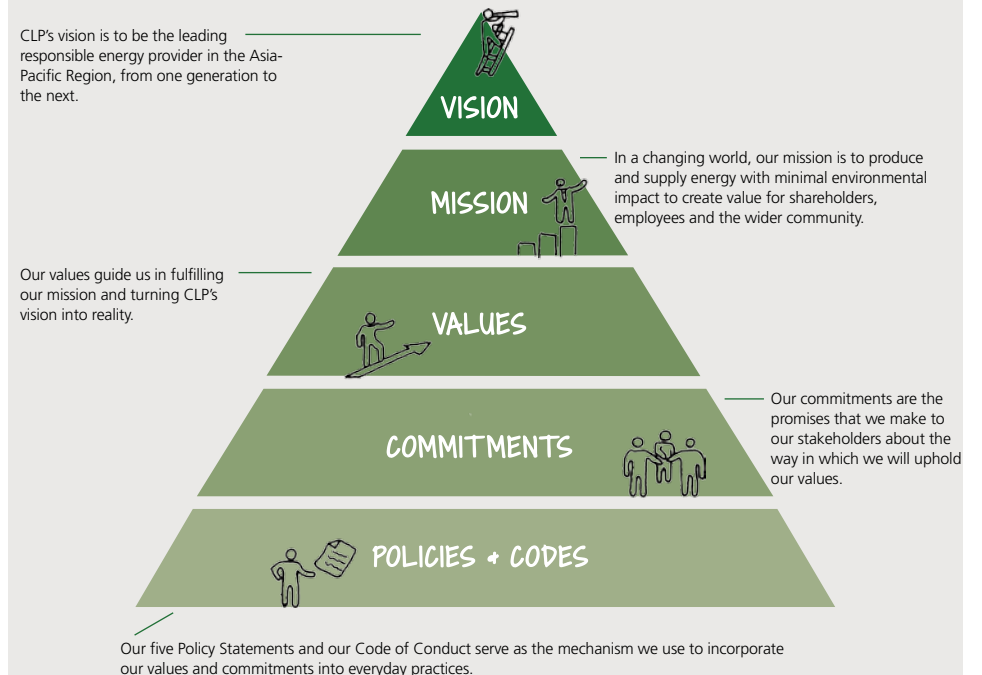
The factors that drive our quest for sustainability include our internal values, the external changing forces and the consequential risks and opportunities for our business.

OUR VALUES

CLP's vision is to be the leading responsible energy provider in the Asia-Pacific region, from one generation to the next. Our mission is to produce and supply energy with minimal environmental impact to create value for shareholders, employees and the wider community, in the context of a changing world. These, together with our values and commitments made to our key stakeholders, are core to why sustainability is at the heart of our business and are all included in our Value Framework.

Our business involves long-term investments and assets that we expect to operate over many decades. We believe conducting our business in a socially and environmentally responsible way is both an ethical obligation and good for business. Minimising environmental impact and contributing to the societies in which we operate is all a part of a sustainable business that produces long-term returns on our investments.

Our Value Framework



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THE CHANGING LANDSCAPE

The Global Megatrends

To navigate through the continuously changing business landscape, it is important to monitor global megatrends. The more we can understand and anticipate the megatrends and their potential impacts on business, the more we can manage our risks and expand our business opportunities.

Demographic & Social Change

As the global population continues to grow, we will see changes such as ageing population, growing mobility and increasing workforce diversity.

There will also be increasing polarity as the wealth and age gaps continue to widen, and international versus national tensions continue to rise.

Shift in Global Economic Power

As the economic power of emerging economies continues to grow, infrastructure growth and investment will shift towards these economies.

Climate Change & Resource Scarcity

As the global climate continues to change, we will see changes in the physical environment, along with shifts in resource availability and scarcity, increasing expectations on carbon reductions and reporting, as well as adapting and developing resilience.

Technological Breakthroughs

As technology continues to advance, we will see changes in customers' and other stakeholders' behaviour and expectations.

Rapid Urbanisation

As urbanisation continues with rising population density and readier access to resources, we will face tough choices trying to keep our cities liveable.

Reference:

 *Five global megatrends, PwC, retrieved on 28 February 2016.*

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THE BUSINESS IMPLICATIONS

Megatrends can have extensive technological, regulatory, economic, environmental, and social implications on our business.

- **Advancement in technology** can improve processes and efficiency, but can also lead to major disruptions of traditional business models, which we are starting to see in utilities around the world.
- **Demographic and social changes** such as polarity in views can hinder decision-making processes and infrastructure project development, but they can provide more market opportunities for a wider range and variety of new products and / or services in the retail sector.
- **Environmental challenges** such as climate change and resource use can physically impact businesses and their value chain, and so remaining resilient will be critical for sustainable success. Furthermore, increasing social expectations of trying to manage such issues often leads to the development of more regulations, which in turn can lead to an increase in operational costs. Alternatively, such regulatory change can also be viewed as an opportunity for businesses delivering products and services which support compliance to these new regulations.

- **The shift in global economic power** brings about a shift in business opportunities from developed to emerging economies, and so the capability to navigate in these new fast moving economies will define success or failure.
- **Rapid urbanisation** will change behaviour patterns as more people migrate and live in increasingly dense and growing cities, which although may increase resource efficiency, can also increase environmental impacts as well as social issues.



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THE RISKS & OPPORTUNITIES

With our knowledge of the megatrends and their implications, guided by our values and commitments, we can identify potential risks and opportunities for the business. A few of the top sustainability-related risks and opportunities identified in 2015 are presented below.

Risks

Regulatory and Political Risk for our Hong Kong Business

In 2015, the Hong Kong Government conducted a public consultation on the Scheme of Control (SoC) which is due to expire in 2018 and concluded the current regulatory arrangement is an effective tool, although changes in certain terms are expected to meet the changing expectations of the community and the customers.

Energy Market Challenges in Australia

In 2015, the medium-term trend of declining demand for centralised energy generation in Australia stabilised. However, the outlook for the wholesale market remains uncertain.

Major Accident at Construction Sites or Operating Plants

As we continue to expand and develop our asset base, there is a significant amount of construction activity that takes place at any time, particularly in developing countries and high risk locations where safety awareness is not high.

Opportunities

Paris Agreement at COP21

CLP welcomes the adoption of a landmark accord at COP21 in Paris, a vital step in combating climate change. The agreement and related Intended Nationally Determined Contributions (INDCs), will help support us to meet our CLP Group's Climate Vision 2050 targets.

Small-scale Distributed Renewable Energy

There is little doubt that small-scale distributed renewable energy will have an increasing role to play in the energy sector, particularly in more remote, less densely populated areas. As technology improves, there will be more opportunities for it in urban areas as well.

Enhanced Customer Experience

As in other industries, we need to keep pace with evolving customer needs in any new arrangements. These are likely to direct a shift in focus more towards the demand side. In Hong Kong, we see two key areas for engagement: helping our customers with energy management and offering them greater choice.

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FROM FRAMEWORK TO PRINCIPLES

Our Sustainability Framework helped us to understand and internally align what sustainability means to us operationally. We now need to focus on the future and our new Sustainability Principles to set the foundation for articulating our strategic sustainability priorities to support our longer term business strategy.

Sustainability Framework

We developed our Sustainability Framework in 2011 as a tool to build our capability and understanding of the concept on sustainable business, and the requirement of systematic and continual improvement in all aspects of our business planning and operations.

Under the Framework, each of our business units set measureable targets against each of our 15 Sustainability Framework goals, which are grouped under four pillars: People, Business Performance, Energy Supply, and Environment. Business units have the flexibility to select targets most relevant to their particular operations. Progress against these goals is reported to the Board and senior management annually.

For our performance against the 2015 Sustainability Framework goals, see the [Sustainability Committee Report](#) in the Appendix of the 2015 Sustainability Report.

Our Sustainability Framework has served us well. Many of the 15 goals are already embedded into our operations, and so we will retire the Framework to make way for a more strategic approach to determining our sustainability priorities.

Sustainability Framework	
SUSTAINABILITY PILLAR	GOAL
PEOPLE Meet the evolving expectations of our stakeholders	Zero injuries in all our workplaces
	Support a healthy workforce
	Develop committed and motivated employees
	Meet or exceed customer expectations
	Earn and maintain community acceptance
BUSINESS PERFORMANCE Continually increase business value	Operate our business ethically
	Create long-term shareholder value
	Adapt proactively to a changing business environment
ENERGY SUPPLY Deliver world-class products and services	Enhance individual and organizational capability
	Supply energy reliably
	Be operationally efficient
ENVIRONMENT Minimise environmental impacts	Adopt emerging technology in a timely manner
	Move towards zero emissions
	Move towards a more sustainable rate of resource use
	Move towards no net loss of biodiversity

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Sustainability Principles

In 2015, we began the process of updating our Sustainability Framework. The Sustainability Framework supported the alignment of what sustainability means to CLP at the operational level. Moving forward, we wanted to focus on more strategic sustainability priorities to support our business strategy of "Focus·Delivery·Growth".

The announcement in September 2015 of the United Nations Sustainable Development Goals (SDGs) for 2030, inspired and informed the development of our new Sustainability Principles, which set the foundation for articulating these priorities in support of our longer term business strategy. Our Sustainability Principles are organised under four focus areas: Economic Sustainability, Our People, Our Environment and Our Community. These Principles will be introduced in Our Performance chapter, which has been arranged according to these focus areas. These Sustainability Principles are consistent with our Value Framework as well as other sustainability disclosure requirements, and encompasses all the sustainability-related areas that we are working on every day.

In 2016, we will focus more on prioritising the relevant goals under these four focus areas given the diverse markets we operate in. The objective is not to set up long-term goals for all the principles to be valid at all times, but to prioritise in which areas and when medium or longer term goals can and should support the delivery of our longer term business strategy, in a way that is aligned with our values and commitments at all times.

Our Sustainability Principles touch on all 17 SDGs, although the SDGs most relevant to our business include:

Sustainability Principles



**SUSTAINABLE
DEVELOPMENT GOALS**
17 GOALS TO TRANSFORM OUR WORLD



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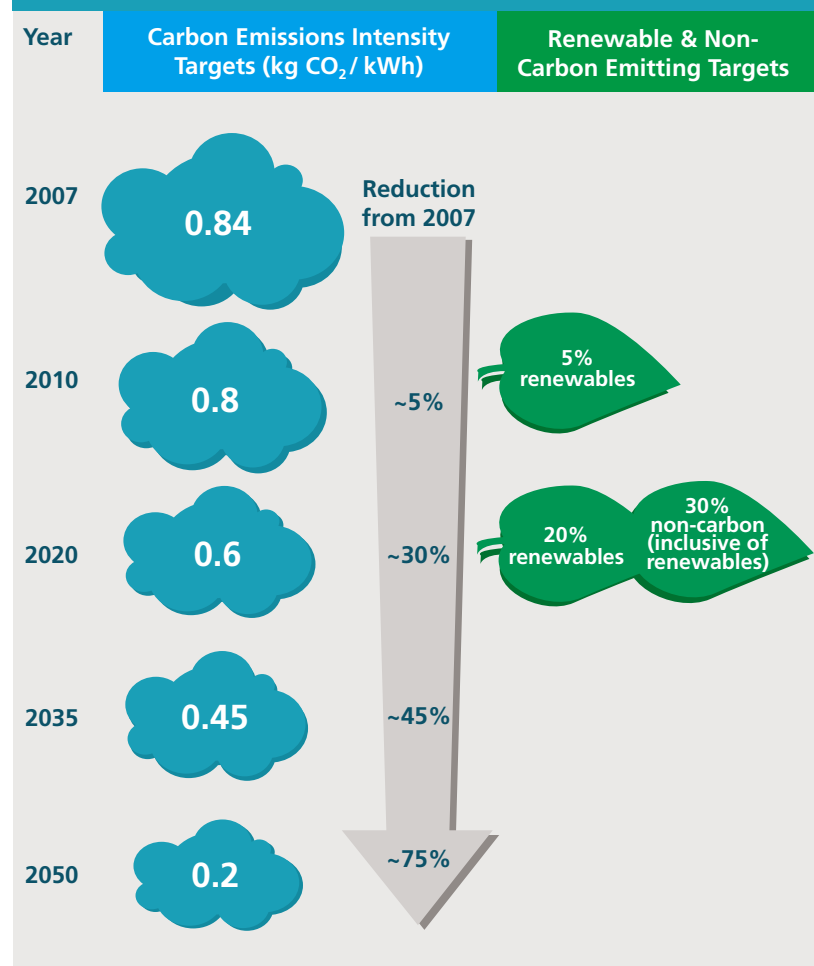
OUR CLIMATE VISION 2050

In 2007, to meet the 2°C scenario before the end of this century, CLP set a science-based carbon intensity reduction target of around 75% by 2050 compared to 2007 levels. This target became the cornerstone of our Climate Vision 2050, and is supported by a series of interim carbon emissions intensity targets in 2010, 2020, and 2035. Climate Vision 2050 also includes targets to increase both the renewable and the non-carbon portions of our generation fleet as a percentage of total capacity.

In 2010, the Climate Vision 2050 was updated and the 2020 carbon intensity target was tightened from 0.7kg CO₂/kWh (about 15%) to 0.6kg CO₂/kWh. Renewable and non-carbon emitting targets for 2020 of 20% and 30% respectively, were also developed to succeed the 2010 renewable target of 5%.

In light of the Paris Agreement at COP21, CLP will review the potential business risks and opportunities arising from the Intended Nationally Determined Contribution (INDCs) commitments submitted by the countries we operate in, in line with our Climate Vision 2050. We aim to complete our post-COP21 review soon after the Paris Agreement is open for ratification in late April 2016.

CLP's Climate Vision 2050



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CLP's Sustainability Committee is a Board level function which oversees CLP's position and practices on sustainability issues affecting, or relevant to, the CLP Group business or operations, shareholders and other key stakeholders. Appointed by the CLP Holdings Board of Directors, the Committee is chaired by the CEO and includes Executive and Independent Non-executive Directors of the Board. In 2015, the members of the Sustainability Committee were:



A form of the Sustainability Committee has existed since 2005. In light of the increasing significance of ESG-related emerging risks and opportunities for the business, the Terms of Reference for two of the Board level Committees were amended in 2015:

- Our non-financial data management and reporting has matured and become operationalised and so the Audit Committee now has oversight of it; and
- the Sustainability Committee can now focus on a broader base of topical areas, identifying and managing longer term emerging and strategic sustainability issues, which could be passed on to other relevant Board level Committees for more detailed strategic and management planning.

A full report on the Sustainability Committee's activities for 2015 can be found in our 2015 full online [Sustainability Report](#) and [Annual Report](#).

To help drive sustainability-related issues throughout the organisation from the Board level down, a new dedicated Group Sustainability Department, reporting to the Chief Corporate Development Officer (CCDO), who in turn reports to the CEO, was also set up in 2014 to ensure successful implementation of sustainability-related strategies, policies and initiatives.

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In addition to embedding sustainability into our existing business processes and systems, from informing our business strategy development and planning processes, to improving our operational performance and corporate reporting, the team also has a responsibility to support activities to inspire the new ideas and innovation necessary to see CLP successfully through to its next 100 years.

Management Approach

Our management approach for many of the financial, social, environmental and governance-related aspects of our business follows a hierarchy of codes and policies, systems, standards and guidelines. Our Code on Corporate Governance, as well as our Code of Conduct and Group Policy Statements contained in CLP's Value Framework, set out the common principles that must be adhered to across the Group.

The Codes and Policy Statements are in turn supported by more specific policies that may be required either at the Group level, or at the business unit level to meet local regulatory requirements or local stakeholder expectations. In order to deliver on these policies, we have a combination of systems and standards, supported by procedures and manuals, which are internal mandatory requirements.

We also have a number of standard practices and guidelines which provide either: more details for system or standard implementation; or voluntary guidance on managing emerging issues and risks, which we believe are likely to arise within the next few years. The latter objective is part of how we address the concept of 'precautionary approach', particularly for environmental aspects.

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Sustainability Ratings						
INDEX NAME		2015	2014	2013	2012	2011
Dow Jones Sustainability Index	Score	57	63	64	64	62
	Industry Average Score	52	56	54	61	58
Carbon Disclosure Project	Disclosure Score	96	95	94	92	82
	Performance Score	C	B	B	B	B
Hang Seng Corporate Sustainability Index	Rating / Score	AA / 78.3	AA / 76.3	AA+	AA+	AA+
Bloomberg ESG	Overall Score	64.88	64.05	68.18	66.12	63.64
	Environmental Score	63.57	60.47	68.22	66.67	62.02
	Social Score	54.39	57.89	57.89	52.63	52.63
	Governance Score	78.57	78.57	78.57	78.57	78.57

 A 5-year summary of our 2015 CLP Group environmental, social and governance KPIs is included in the last chapter.



Our Performance

SCOPE OF PERFORMANCE REPORT

The scope of our performance presented in this report focuses on the most material aspects identified through our combined scoping and materiality assessment methodology called the Boundary Scoping and Materiality Identification (BSMI). The BSMI methodology was devised in 2013 to prepare for the transition of our reporting from using the GRI G3.1 to G4 Guidelines. We reported in accordance with the G4 Guidelines when the BSMI process was fully launched in 2014.

In 2015, we improved the BSMI by developing a new 'most material' aspects category to further prioritise from those aspects identified as 'material'. The 2015 BSMI process identified that among GRI G4's 54 aspects, all 54 aspects are material and 18 aspects of which are 'most material'. Only the 'most material' are included in this Report.

Most Material Aspects			
<ul style="list-style-type: none"> • Availability and Reliability • Demand-side Management • Customer Privacy • Product Responsibility Compliance • Anti-corruption • Anti-competitive Behaviour • Economic Performance 	<ul style="list-style-type: none"> • Environmental Compliance • Emissions • Energy 	<ul style="list-style-type: none"> • Occupational Health and Safety • Employment • Training and Education • Labour / Management Relations • Diversity and Equal Opportunity • Equal Remuneration for Women and Men • Non-discrimination 	<ul style="list-style-type: none"> • Local Communities
Material Aspects			
<ul style="list-style-type: none"> • Disaster / Emergency Planning and Response • System Efficiency • Customer Health and Safety • Access to Electricity • Marketing Communications • Product and Service Labelling • Provision of Information • Procurement Practices • Supplier Human Rights Assessment • Indirect Economic Performance • Research and Development • Plant Decommissioning • Investment Screening for Human Rights 	<ul style="list-style-type: none"> • Water • Effluents and Waste • Biodiversity • Supplier Environmental Assessment • Environmental Grievance Mechanisms • Environmental Overall • Materials • Products and Services • Transport 	<ul style="list-style-type: none"> • Child Labour • Forced or Compulsory Labour • Freedom of Association and Collective Bargaining • Human Rights Assessment • Human Rights Grievance Mechanisms • Labour Practices Grievance Mechanism • Market Presence • Security Practices • Supplier Assessment for Labour Practices 	<ul style="list-style-type: none"> • Society Compliance • Public Policy • Indigenous Rights • Grievance Mechanisms for Impacts on Society • Supplier Assessment for Impacts on Society
Non-Material Aspects (None)			

Sustainability Principles under Four Focus Areas

- Economic Sustainability
- Our Environment
- Our People
- Our Community

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ECONOMIC SUSTAINABILITY

Our goal is to create long-term value for shareholders who are the ultimate owners of the company. To do that, we seek to invest in businesses and projects which leverage our core capabilities and provide long-term returns. We recognise that we are the stewards of our shareholder's investments in the Company and we value their trust and confidence.

The most material aspects identified for 2015 under this focus area are:

Economic Sustainability

- Economic Performance
- Availability and Reliability
- Demand-side Management
- Product Responsibility Compliance
- Customer Privacy
- Anti-corruption
- Anti-competitive Behaviour

Economic Sustainability Principles

-  We create long-term value for our shareholders through focussed investments in assets across the energy value chain.
-  We pursue excellence in the operations of those assets and endeavour to deliver world-class energy products and services which meet or exceed the expectations of our customers in balance with all other stakeholders.
-  We provide products and services that are valuable and often essential to the communities we serve, and we commit to delivering them safely, reliably, efficiently, cost effectively and in an environmentally responsible manner.
-  We communicate openly and transparently with our stakeholders on our investments and operations, as well as our financial, environmental, social and governance performance.
-  We proactively adapt to the changing business environment and the changing needs of our customers and other stakeholders by innovating and adopting efficient and value enhancing technologies, processes, practices and new business model approaches in a timely and considered manner.
-  We adhere to the laws of all jurisdictions we operate in and seek to bring international best practice principles of ethics, governance, public communication, transparency and sustainability to all our operations.

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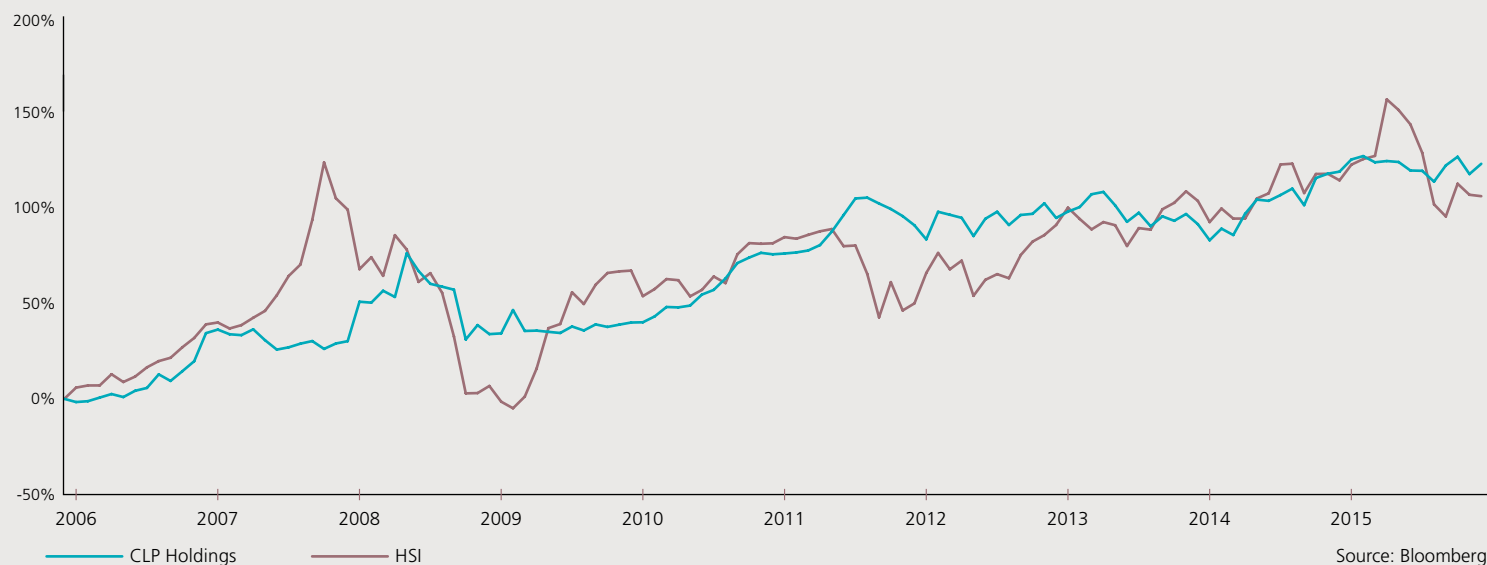
ECONOMIC PERFORMANCE

CLP reported strong financial results in 2015, which reflected a much improved operational performance in most of our businesses. The Group's operating earnings increased by 14.6% to HK\$11,533 million over 2014. Total earnings were up 39.6% to HK\$15,670 million.

In 2015, only around 25% of our Group earnings came from our coal generation business. These earnings have enabled the delivery of total dividends of HK\$2.70 per share in 2015, which is a 3.1% increase from the previous year.

2015 was a year of high volatility for the Hong Kong market, but CLP demonstrated its resilience with a share price that was comparatively stable and ending the year at HK\$65.85, outperforming the Hang Seng Index (HSI).

Total Returns – CLP vs HSI (2006-2015) (Base: 31 December 2005 = 0%)



CLP is committed to maintaining good investment grade credit ratings. We enhanced the capital structure of the Group and delivered a more robust financial profile by further reducing debt gearing and lowering debt funding costs in 2015. Consequently, the credit rating agencies revised the outlooks of CLP Holdings (by S&P and Moody's) and CLP Power (by Moody's) back to stable from negative after the annual credit rating review in May 2015. Recognising CLP's high level of discipline in managing its investments and financials, and strong competence in operating business and turning around commercial hardship, S&P also revised EnergyAustralia's rating outlook to stable from negative.

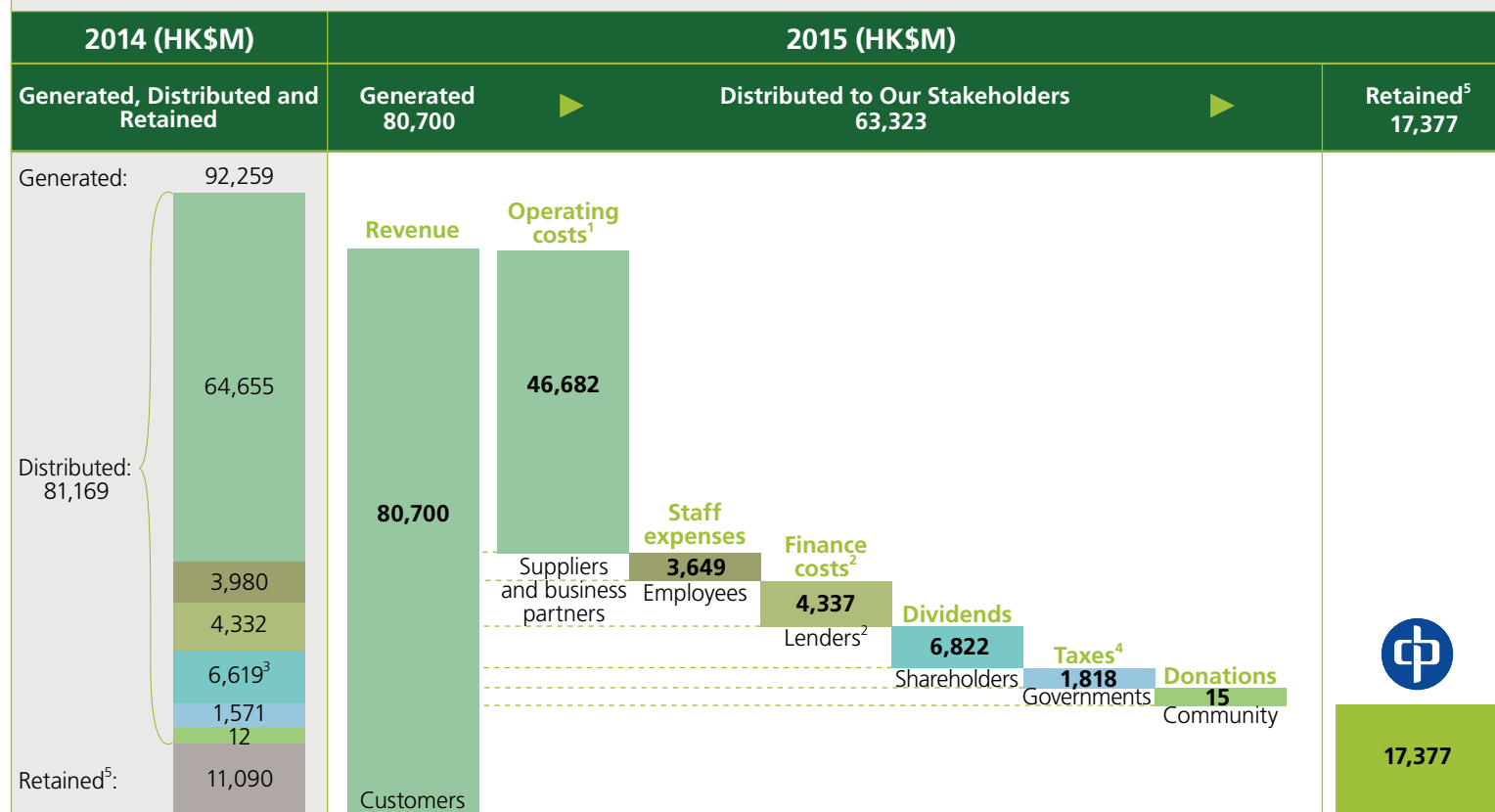
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Economic Value Generated and Distributed

While CLP creates economic value for delivering financial returns to our shareholders, we also create value to other stakeholders and society at large through a wide range of activities, interactions and relationships.

Economic Value Generated and Distributed

Revenue can be viewed as the economic value CLP created for the provision of electricity and gas supply to our customers. The payment of expenses can be considered as the distribution of economic value to our various stakeholders – suppliers, employees, capital providers, governments and the community. Economic value retained in CLP represents the reinvestment made to preserve operating capacity and to fund new investments.



¹For simplicity sake, operating costs included earnings attributable to other non-controlling interests and netted with other gain, finance income and share of results (net of income tax) from joint ventures and associate.

²Lenders include perpetual capital securities holders and finance costs include payments made to them.

³The 2014 figure was adjusted to align with current year's presentation basis.

⁴Represents current income tax but excluding deferred tax for the year.

⁵Represents earnings attributable to shareholders (before depreciation, amortisation and deferred tax) for the year retained.

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OPERATIONAL PERFORMANCE

Availability and reliability are two of a number of key performance metrics for CLP assets. Targets for each asset are set annually and included in the business plan. Performance is reported on a weekly basis to senior management. Any significant variations to what has been planned, are analysed and corrective actions put in place where appropriate.

Generation

For the **availability** our Generation assets, we monitor the capacity or service factor which is the amount of electricity the power plant produces over a year as a percentage of its full capacity. Typical values range from 70% to 90%. For details of individual generation plants, please refer to the Generation Performance of Our Facilities on the following page.



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Generation Performance of Our Facilities in 2015

Facility	Business Type	Generation Type	Generating Capacity (MW)	Equity Ownership (%)	Equivalent Availability Factor (EAF) ¹ / Availability Factor (AF) ² / Service Factor (SF) ³	Generation Sent-Out (GWh)	Thermal Efficiency	Energy Intensity (kJ/kWh)
Hong Kong								
Black Point	Power Generation	Gas	2,500	70%	84.83%	8,899	44.82%	8,032
Castle Peak	Power Generation	Coal	4,108	70%	85.04%	15,176	33.30%	10,811
Penny's Bay	Power Generation	Oil	300	70%	100.00%	0.6	19.01%	18,937
Transmission & Distribution Network	Power Delivery	N/A	N/A	100%	N/A	N/A	N/A	N/A
Mainland China								
Dali Yang_er	Power Generation	Hydro	49.8	100%	47.15%	123	N/A ⁴	N/A ⁵
Fangchenggang I	Power Generation	Coal	1,260	70%	88.90%	2,933	35.49%	10,144
Huaiji	Power Generation	Hydro	129	84.90%	39.40%	373	N/A ⁴	N/A ⁵
Jiangbian	Power Generation	Hydro	330	100%	57.77%	1,208	N/A ⁴	N/A ⁵
Jinchang	Power Generation	Solar	85	51%	99.99%	128	N/A ⁴	N/A ⁵
Laiwu I	Power Generation	Wind	49.5	100%	99.62%	64	N/A ⁴	N/A ⁵
Penglai I	Power Generation	Wind	48	100%	99.70%	92	N/A ⁴	N/A ⁵
Qian'an I and II	Power Generation	Wind	99	100%	98.07%	153	N/A ⁴	N/A ⁵
Xicun I	Power Generation	Solar	42	100%	57.17%	89	N/A ⁴	N/A ⁵
India								
Jhajjar	Power Generation	Coal	1,320	100%	82.46%	5,406	36.29%	9,920
Paguthan	Power Generation	Gas	655	100%	99.01%	621	40.75%	8,834
Australia								
Cathedral Rocks	Power Generation	Wind	66	50%	88.91%	168	N/A ⁴	N/A ⁵
Hallett	Power Generation	Gas	203	100%	86.90%	30	17.22%	20,906
Mount Piper	Power Generation	Coal	1,400	100%	86.55%	5,109	35.11%	10,253
Tallawarra	Power Generation	Gas	420	100%	91.48%	2,496	49.73%	7,239
Yallourn	Power Generation	Coal	1,480	100%	84.60%	10,256	24.27%	14,833

Remarks:

1. Equivalent Availability Factor (EAF): is the proportion of available hours less full load equivalent of de-rated in a period of one year (8,760 hours).
2. Availability Factor (AF): is the fraction of hours in a period of one year (8,760 hours) when a plant is available to generate electricity.
3. Service Factor (SF): = Total hours of operation (when generator is connected to the grid) during a period of one year (8,760 hours).
4. N/A: In this context, N/A means "Not Applicable" as renewable generation does not have a thermal efficiency because power is not generated through thermal process.
5. N/A: In this context, N/A means "Not Applicable" as energy intensity is not calculated for renewable energy.

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Transmission & Distribution

Hong Kong is the only location that we operate a transmission and distribution network. It serves about 80% of the population of the city and close to 100% of the population in our service area. The **reliability** of our system is above 99.999%, higher than other major cities such as London, New York and Sydney. At the end of 2015, we had approximately 1,180 km of overhead and approximately 13,782 km of underground circuits at medium or higher voltage. The length of overhead lines was slightly reduced from the previous year's and there was a slight increase in the length of our underground cables. This expansion was needed to keep up with the electricity demand growth in Hong Kong.



CLPP System Average Interruption Frequency Index (SAIFI)

SAIFI is the average number of supply interruptions for each customer served. Both planned and unplanned interruptions are included. Our three-year average SAIFI (2013 – 2015) was 0.17, meaning our customers experienced a power interruption approximately once in six years during this period. This is an improvement over last year's three-year rolling average of 0.18.

CLPP System Average Interruption Duration Index (SAIDI)

SAIDI is the average duration of interruptions each customer may encounter in a given year. Our three-year average SAIDI (2013 – 2015) was 0.39 hours including both planned and unplanned interruptions. This is an improvement over last year's three-year average SAIDI (2012 – 2014) of 0.43 hours.

CLPP Unplanned Customer Minutes Lost (Unplanned CML)

Unplanned CML is the average duration of unplanned power interruptions per customer in a given year. These outages occur without prior notice, and happen as a result of various factors such as weather events, third party damage to the network and equipment faults. Our 2013 to 2015 three-year average unplanned CML is 1.5 minutes. This is an improvement over last year's average of 2.3 minutes.

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RETAIL

Demand-side Management

Our efforts in promoting energy efficiency and conservation continued in 2015. In 2015, we conducted 160 energy audits for our commercial and industrial customers from different sectors. From energy audits conducted in previous years, 17 energy saving projects were completed in 2015 contributing a total saving of 15.26GWh.

In 2015, we successfully conducted the first-of-its-kind "Power Your Love" programme, encouraging more than 200,000 of our residential customers to save energy and transfer the electricity they saved to people in need. When the programme ended in July 2015, 9.5 million kWh of electricity was saved. We also submitted the findings of myEnergy, a smart meter pilot programme for residential and small-to-medium commercial customers to the Government. CLP is working with the Government to explore greater use of smart meters in the future.



Product Responsibility Compliance

Our objective is to comply with all applicable laws and regulations related to information about the retail of electricity in Hong Kong and the retail of gas and electricity in Australia.

In 2015, we did not incur any monetary fines for non-compliance relating to the provision and use of electricity and we did not have any breaches of regulatory obligations from our Hong Kong retail business.

EnergyAustralia had 35 new instances of non-compliance against the National Energy Retail Rules, the Victorian Energy Retail Code and Queensland Electricity Industry Code. These breaches concerned overcharging due to tariff misalignment, failure to credit solar customers for generation, the application of discounts and rebates, and provision of information to customers such as providing contractual information and notice of a product change. EnergyAustralia will continue its efforts to improve its performance in customer service, riding on its achievements in 2015, as detailed in the following page.

In March 2015, the Federal Court approved EnergyAustralia's settlement with the Australian Competition & Consumer Commission (ACCC) and the Australian Energy Regulator (AER), after EnergyAustralia's third party sales contractor Bright Choice (which traded as TeleChoice) contravened the Australian Consumer Law (ACL) for misleading conduct. The conduct occurred without EnergyAustralia's knowledge and was revealed and reported to the regulators by EnergyAustralia in 2013, following internal monitoring and investigations regarding TeleChoice's conduct. EnergyAustralia terminated its contract with TeleChoice shortly after.

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Customer Privacy

As a responsible utility company, CLP is firmly committed to a set of privacy principles and ethics that help drive our company forward. We also monitor and annually document any complaints related to breaches of customer privacy and loss of customer data.

In 2015, no customer privacy and data loss cases have been reported or noted in our Hong Kong retail business. Our EnergyAustralia retail business received a total of 49 privacy

complaints relating to information being provided to unauthorised parties. EnergyAustralia has dealt adequately with the resolution of each complaint. Of the 49 privacy complaints, six complaints were received from the Australian Privacy Commissioner regarding potential breaches of customer privacy. Following investigation of the complaints, the Commissioner closed three files on the basis that EnergyAustralia had not interfered with the customer's privacy and three are still pending further investigation.

EnergyAustralia's Efforts in Customer Service in 2015

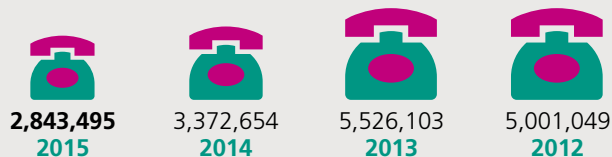
The introduction of our Internal complaints channel in July 2014 continues to be extremely effective in capturing complaint and resolving issues before they escalate to the Ombudsmen schemes. There was a 27% decrease in the total number of Ombudsmen complaints received by EnergyAustralia in 2015. Our number of Ombudsmen complaints per 10,000 customers is the lowest it has ever been at 56 per month across 2015.

Our call rate (inbound customer enquiries) reduced from 9% per 100 customers at the start of the year to 6.95% at the end of the year. This reduction can be attributed to an

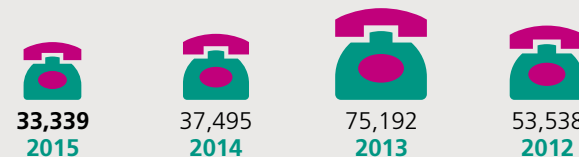
increase in digital service offerings, including live-chat and my-account activities. This trend is forecasted to continue with additional initiatives in place to move traffic from traditional phone channels to self-service interactions and digital channels.

A highlight for 2015 was our call centre operated under the new "triage/transfer model". All calls are initially handled in our customer support area, more complex calls are then transferred into a specialised area. This has the effect of roughly 50% of all calls being transferred at least once to help ensure the customer speaks to the right person. Our customer contact rate over the past two years decreased despite the change in our operating model. Our contact rate in 2015 has reduced by 18% on 2014.

Calls Handled by the EnergyAustralia Call Centre



Complaints Received by EnergyAustralia



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GOVERNANCE

Code of Conduct

All management and staff across the CLP Group are subject to a formal Code of Conduct which places them under specific obligations as to the ethics and principles by which our business is conducted. This Code of Conduct is set out in our Value Framework and is available on our [website](#).

We have a Whistleblowing Policy to encourage employees and related third parties (such as customers and suppliers) who deal with the Company to raise concerns in confidence about misconducts, malpractices or irregularities in any matters related to the Company. A whistleblowing policy specific for EnergyAustralia and a whistleblowing policy specific for CLP India to reflect the local legislative requirements were also adopted. During 2015, there were 15 cases of whistleblowing (2014: eight).

Non-compliance with the Code of Conduct results in disciplinary action. Disciplinary measures are decided by the relevant line management. These measures are then subject to review and endorsement by a Senior Management level Code of Conduct Committee, to ensure the consistency and fairness of treatment. During 2015, there were six breaches of the Code (2014: seven). Sanctions applied ranged from reprimands to dismissal. No breaches of the Code were material to the Group's financial statements or overall operations. Adherence to the Code of Conduct cannot be waived.

Anti-corruption

CLP is committed to preventing, detecting and reporting all types of fraud, including corruption. We maintain a control environment that promotes our values and we monitor the effectiveness of our controls related to mitigating fraud risk and remedy any deficiencies in a timely manner. Our Code of Conduct is the tool we use to guard against corruption within CLP. We take cases of corruption seriously, and cases of corruption are not only tracked and reported, but also externally verified by a third party before results are reported in our Sustainability Report. In 2015, we had no convicted cases of corruption at CLP.

Anti-competitive Behaviour

CLP is a responsible organisation and is committed to compliance with competition and anti-trust laws in force in all countries in which we operate. Breaches of competition law will not be tolerated and suspected breaches must be reported immediately. Compliance with competition laws is monitored under our regulatory compliance programme. In 2015, we issued a CLP Competition Compliance Manual and conducted an extensive staff engagement programme that included briefings and completion of a mandatory e-learning course to familiarise all our Hong Kong staff with the new anti-competition law. In 2015, there were no new legal cases regarding anti-competitive behaviour.

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OUR ENVIRONMENT






Care for the environment is one of our core values articulated in our Value Framework that guides us in fulfilling our mission and turning our vision into reality. The Framework mandates us to responsibly manage the short-term and long-term impacts of our business on the environment. Since our business covers the entire energy supply chain, the suite of potential environmental issues that we need to manage depends on the type of generation, site specific conditions and the nature of the business. Therefore, we take much care in assessing each of our sites and business activities to allow us to effectively manage our potential impacts to the environment.

The most material aspects identified for 2015 under this focus area are:

Our Environment

- Environmental Compliance
- Energy
- Emissions

Environmental Sustainability Principles

-  We will reduce our carbon emissions in line with an agreed global level at which catastrophic climate change can be avoided.
-  We will adopt international best practice for our environmental impact assessments and environmental performance standards for construction of all new plants, as is commercially viable and move towards zero emissions over time.
-  We will use resources, including fuel, water and other natural resources, efficiently and conservatively and will increase the use of renewable energy resources.
-  We will responsibly manage land use-related issues arising from our transition to a low carbon energy future, including biodiversity, in line with the local, national and regional circumstances.
-  We will monitor and manage emerging environmental-related challenges that will arise as technologies, stakeholder expectations and business model approaches change.

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Environmental Compliance

To comply with all applicable environmental laws and regulations is one of the fundamental principles articulated in our CLP Group Environmental Policy Statement. We currently track regulatory compliance-related cases and report on confirmed cases of regulatory non-compliance where legal sanctions have been imposed.

As at 31 December 2015, there was one environmental non-compliance that resulted in a fine and for which a penalty infringement notice was issued.

The Environment Protection Authority Victoria (EPA) in Australia fined Yallourn Power Station A\$7,584 for breaching the Environment Protection Act 1970 over an incident in February 2015 where ash slurry was discharged into the Morwell River. A rupture in a pipeline caused by a failure of a welded pipe joint resulted in around 8.6 megalitres of salt water entering the Morwell River for a short duration. The impact of the spill material was diluted by river flow, reducing the potential environmental impact. EnergyAustralia has since introduced a range of process improvements to prevent a similar event from occurring. They included: upgrading the alarms to automatically shut down the ash line pumps and alert site staff to ruptures; installation of CCTV cameras in high risk areas; and a requirement for hydraulic testing of new pipework prior to commissioning.

There was also an environmental incident for which a formal incident report was required by the local authority, but the incident did not constitute as a licence exceedance nor as a non-compliance, and there was no penalty imposed.

At Mount Piper Power Station in Australia, cooling water was discharged into Nuebecks Creek in November 2015 as a result of a drain valve being left open on a cooling water conduit that was being refilled during restart. Approximately 250-750KL of cooling water flowed down a storm water drain, and into Nuebecks Creek. EnergyAustralia's investigation into the incident uncovered that the discharged water was clean and that no material harm was caused to the environment. The Environment Protection Authority has been notified and EnergyAustralia will submit a formal incident report.

Environmental Regulatory Non-Compliances

No. of Cases

	2015	2014	2013	2012	2011
Environmental regulatory non-compliances resulting in fines or prosecutions	1	1	0	0	0



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Energy Consumption

The most significant amount of resource we consume for our business is fuel for power generation. Our annual fuel mix and consumption is affected by factors such as the portfolio mix, plant operating conditions and the cost and availability of fuel.

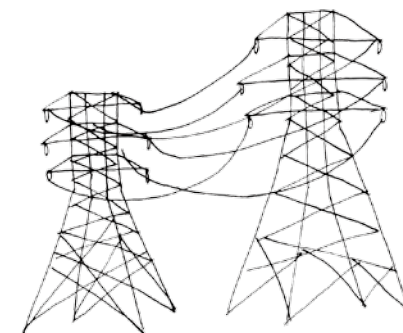
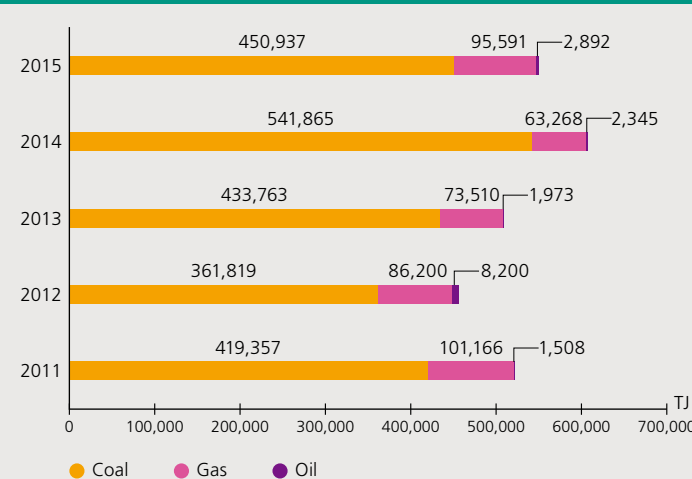
In 2015, the Group's total fossil fuel consumption for power generation decreased by around 9.6% to 549,420TJ compared to 2014. Our Group's total coal consumption decreased by about 17%, while total gas consumption increased by around 51%, mainly as a result of using less coal and more gas in Hong Kong and a decrease in output from Mount Piper power station in Australia and Fangchenggang power station in Mainland China.

Tighter statutory emission caps for power generation took effect in 2015 for Hong Kong, so we increased our natural gas consumption and reduced our use of coal. Generation was reduced in 2015 for Mount Piper in Australia due to uncertainty over coal supply, whilst for Fangchenggang in Mainland China it was due to suppressed demand.

Most of our assets use electricity generated from their own operations for ancillary use but a small amount is also purchased from the grid. In 2015, the amount of electricity purchased at our operationally controlled facilities for the facilities' own use was over 218GWh.

Apart from fuel consumption for power generation, we have a fleet of vehicles which we use mainly for daily operation and network maintenance purposes. In 2015, the amounts of petrol and diesel purchased for use in our transportation fleet in our Hong Kong business were 1,235 kilolitres and 433 kilolitres respectively.

Annual Fuel Consumed for Power Generation



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EMISSIONS

At CLP we are committed to ensuring that all key environmental impacts are identified and managed in a responsible manner. Air emissions and greenhouse gases are currently our most significant environmental impact. We continuously strive to improve our performance and are committed to reporting on our progress to our stakeholders on a regular basis.

Air Emissions

Group emissions of SO₂, NO_x and Total Particulates in 2015 compared to 2014, decreased by around 32%, 25% and 15% respectively. This was due mainly to: the use of more gas and less coal in Hong Kong, along with lower utilisation of Castle Peak A which has higher emissions than Castle Peak B; less generation from Mount Piper power station in Australia and Fangchenggang power station in Mainland China; and improvement in emissions control operations at Jhajjar power station in India.

Climate Vision 2050

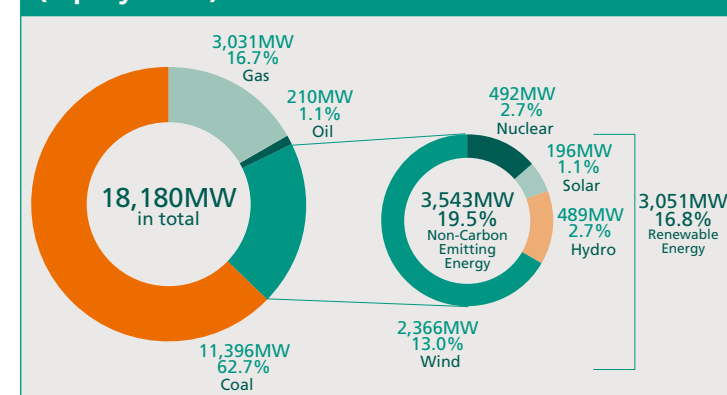
Due to the operational profile outlined above, CLP Group's total CO₂ and CO₂e emissions in 2015 both also decreased by around 12% compared to 2014. This has led to the carbon intensity of the Group's generating portfolio improving from 0.84 kg CO₂/kWh in 2014 to 0.81 kg CO₂/kWh in 2015. This represents CLP's lowest carbon intensity since 2012 and is close to the Group's 2010 and 2011 carbon intensity of 0.80 kg CO₂/kWh.

Total renewable energy generation capacity and non-carbon emitting generation capacity were 16.8% and 19.5%, respectively. This is an improvement over last year and is a result of the ongoing commitment and development of CLP's renewable portfolio in India and China and some relatively small changes to the conventional generation portfolio in 2015.

CLP's Progress Towards 2020

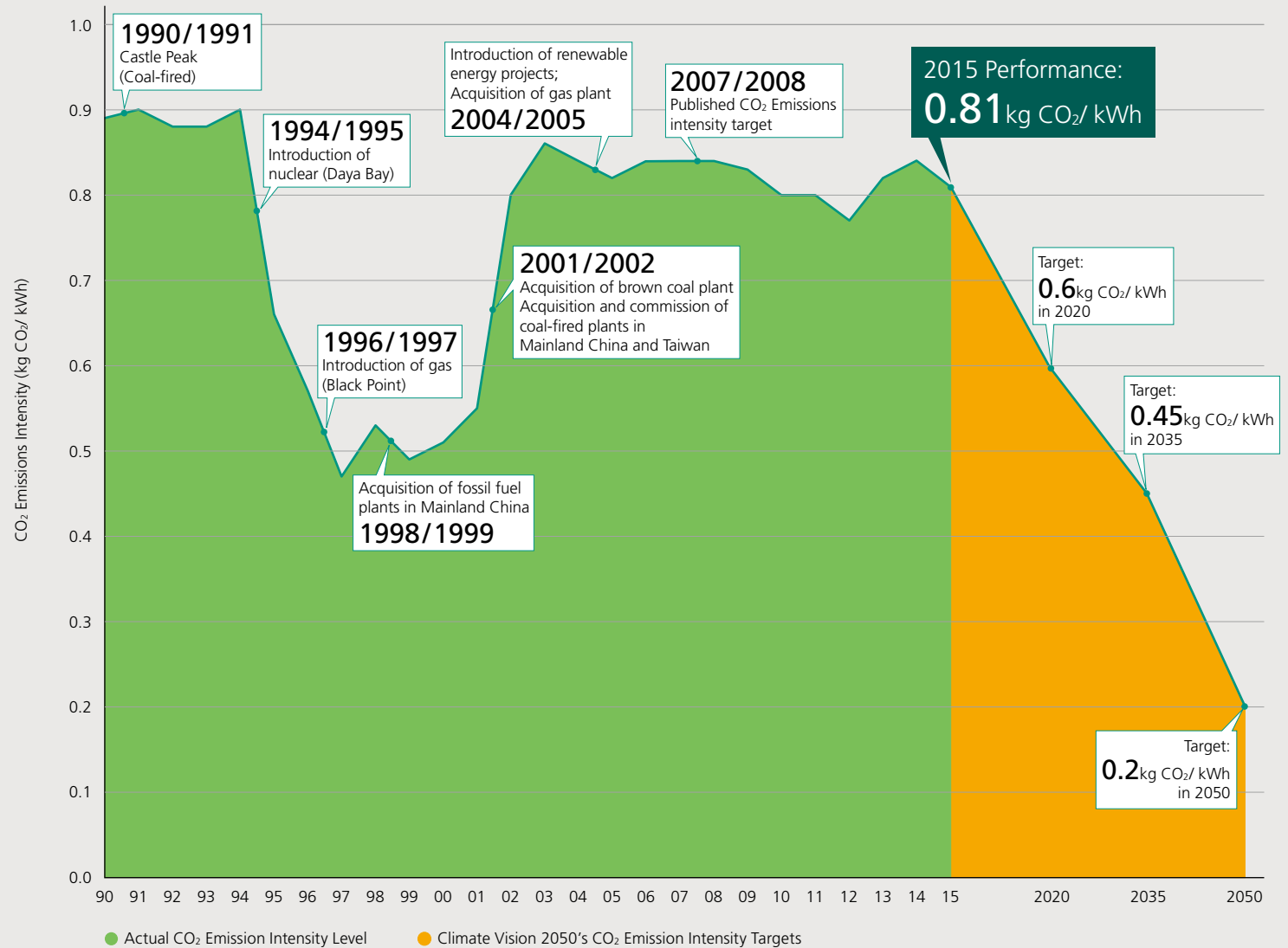
	CO ₂ EMISSIONS INTENSITY	RENEWABLE	NON-CARBON EMITTING
2015 Performance	0.81kg CO₂/kWh	16.8%	19.5%
2020 Target	0.6kg CO ₂ /kWh	20%	30% (inclusive of renewables)

Generation Capacity by Energy Sources (Equity Basis)



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CLP Group CO₂ Emissions Intensity



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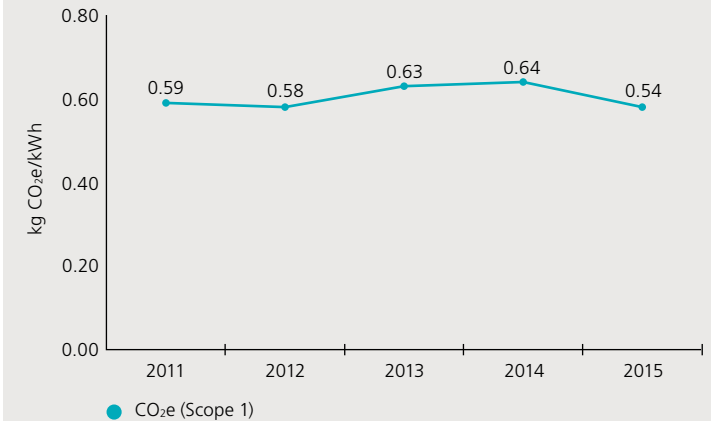
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Carbon Intensity of Electricity Sold by CLP Power Hong Kong

The carbon intensity of the electricity used by our customers in Hong Kong decreased by more than 14%, from 0.64 kg CO₂ / kWh in 2014 to 0.54 kg CO₂ / kWh in 2015. This was a result of reduced consumption in coal and more gas consumption to meet the Government's emissions requirements in Hong Kong, plus increased output from Daya Bay nuclear power station in Mainland China.

CO₂e Emissions Intensity of Electricity Sold by CLP Power Hong Kong



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OUR PEOPLE




Our people are our greatest assets. We have a talented multi-disciplinary employee base whose team work and collegiality is a source of great pride to CLP. We will continue to leverage the capabilities of our employees across the Group so that they will continue to be instrumental in delivering the promise of our Group Investment Strategy in the coming decade.

The most material aspects identified for 2015 under this focus area are:

Our People

- Occupational Health and Safety
- Employment
- Labour / Management Relations
- Non-discrimination
- Equal Remuneration for Women and Men
- Training and Education
- Diversity and Equal Opportunity

Human Resource Sustainability Principles

-  We ensure a safe and healthy working environment and are committed to preventing accidents, injuries and physical or mental illness related to work.
-  We ensure compliance with all employment related legal requirements and contractual agreements in the countries that we operate in, respect for internationally recognised human rights, and best practice governance and disclosure of executive remuneration.
-  We recruit staff from diverse sources and backgrounds. We encourage retention by ensuring equal opportunity, and by maintaining a harassment and discrimination free work-place that promotes gender balance and supports the social and economic empowerment of women.
-  We maintain our core competencies through the planned intake of trainees and continuous investment in training and development. We build new capabilities in order to stay aligned with changes in our business environment.
-  We provide competitive, fair and equitable remuneration and benefits. We help our employees to maintain their work-life balance with family-friendly policies, reasonable working hours, and a generous range of leave entitlements.
-  Maintaining our organisational productivity enables us to sustain a competitive remuneration and benefits policy. Gains in productivity allow us to increase, progressively and equitably, the returns to our stakeholders.

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Occupational Health & Safety

Our commitment to protect people's health, prevent incidents and injuries and minimise adverse environmental impact is set out in the CLP Value Framework.

In 2015, there were zero fatalities for employees and contractors at our majority-owned assets or assets under our operational control. However, there was one fatality at a minority-owned asset where a worker was electrocuted whilst carrying out maintenance work on site in Dagangzi of Jilin Province in Mainland China. Minority owned assets are outside the scope of CLP's Key Non-Financial Performance Indicators and associated limited assurance and so that fatality is not included in this data.

CLP reports its safety performance on an annual basis using a number of metrics. We benchmark our safety performance by measuring our Lost Time Injury Rate (LTIR) and Total Recordable Injury Rate (TRIR). They refer to the number of lost time injuries or recordable injuries measured over 200,000 working hours of exposure, which is equivalent to around 100 people working for one year.

In 2015, we recorded 16 cases of LTI in our majority-owned assets or assets under our operational control, improving from 23 cases in 2014. The combined TRIR of CLP employees and contractors fell from 0.41 in 2014 to 0.25 last year.

CLP Group Safety Performance (Employees and Contractors)			
	2015	2014	2013
Fatalities	0	1	1
Fatality Rate	0.00	0.005	0.005
Number of Lost Time Injuries	16	23	33
Lost Time Injury Rate (LTIR)	0.07	0.11	0.16
Total Recordable Injury Rate (TRIR)	0.25	0.41	0.39
Number of Days Lost / Days Charged (employees only)	199	105	29
Number of Occupational Disease (employees only)	0	0	0

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CLP Group Safety Performance by Region in 2015							
	EMPLOYEES / CONTRACTORS						
	CLP HOLDINGS	HONG KONG	MAINLAND CHINA	INDIA	SE ASIA	AUSTRALIA	TOTAL
Fatalities	0 / 0	0 / 0	0 / 0	0 / 0	N / A	0 / 0	0 / 0
Fatality Rate	0.00 / 0.00	0.00 / 0.00	0.00 / 0.00	0.00 / 0.00	N / A	0.00 / 0.00	0.00 / 0.00
Number of Lost Time Injuries	0 / 0	0 / 4	0 / 1	2 / 1	N / A	6 / 2	8 / 8
Lost Time Injury Rate (LTIR)	0.00 / 0.00	0.00 / 0.07	0.00 / 0.02	0.54 / 0.03	N / A	0.28 / 0.29	0.10 / 0.06
Total Recordable Injury Rate (TRIR)	0.53 / 0.00	0.07 / 0.17	0.00 / 0.16	0.54 / 0.25	N / A	0.42 / 2.14	0.18 / 0.28
Number of Days Lost / Days Charged (employees only)	0	0	0	34	N / A	165	199
Number of Occupational Disease (employees only)	0	0	0	0	N / A	0	0



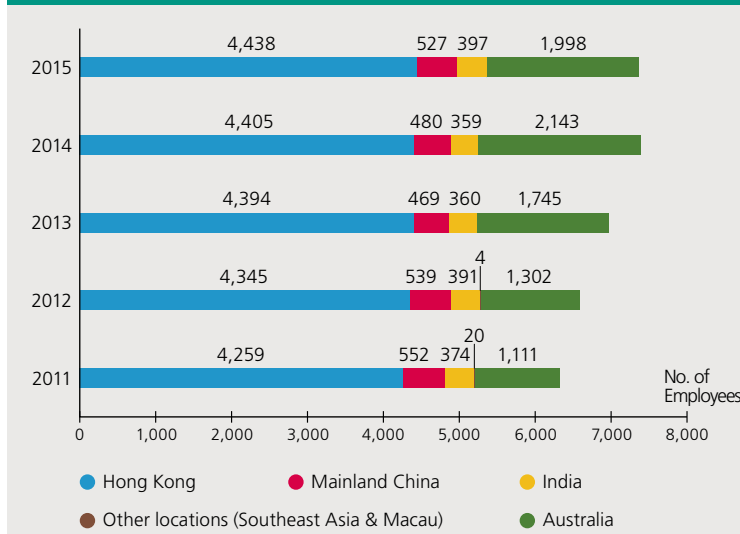
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Employment

We operate in a number of different countries across the Asia-Pacific region, and there is considerable variation between them with respect to labour law, codes of employment practice, and national cultures. In some countries the framework of labour law is well developed and comprehensive, in others it is more basic. Consequently our Human Resource policies have to balance three considerations: our Group-wide Value Framework as a responsible employer, the requirement to comply fully with labour rules and regulations in each of the countries we operate in, and sensitivity to local culture and business needs.

In 2015, CLP employed a total of 7,360 full-time employees.

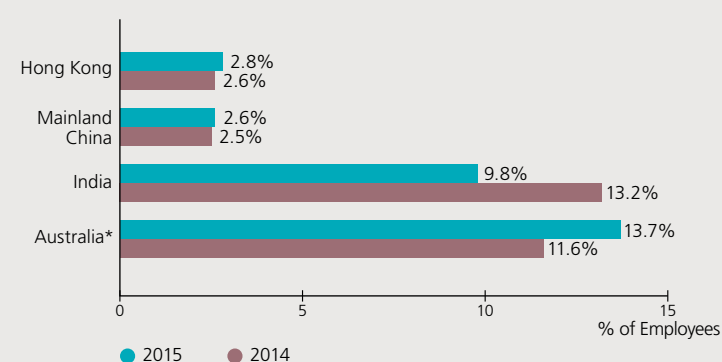
Regional Distribution of Full-time Employees



A total of 510 headcount were employed in wind, solar and hydro projects, reflecting the progressive shift in our generation portfolio to renewable energy.

Our ability to retain staff is reflected in our voluntary turnover rates, which are typically below the local market average in most of our operations.

Voluntary Turnover by Region



*2014 data exclude Mount Piper and Wallerawang staff

Average Length of Service Years by Region

No. of Years	2015	2014
Hong Kong	17.9	18.2
Mainland China	14.2	15.0
India	11.5	5.7
Other locations (Southeast Asia & Macau)	N/A	N/A
Australia	4.4	4.6

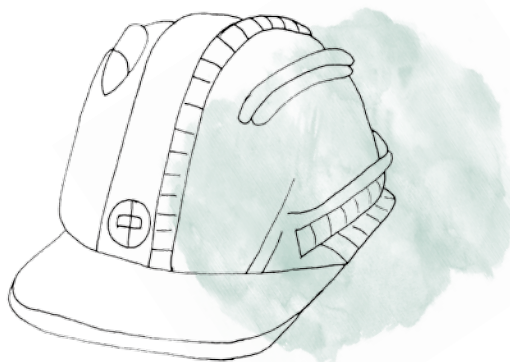
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Labour / Management Relations

In Australia we engage in collective bargaining with some employees via certified Enterprise Bargaining Agreements. These agreements include both notice period and provisions for consultation and negotiation.

Non-discrimination

With respect to complaints of discrimination and harassment, we have clear policies in place, supported by employee training. Our Group-wide Harassment Policy sets a common framework of principles and our detailed policies in each country are fully compliant with local legislation. Following the introduction of a Hong Kong specific policy to ensure compliance with Hong Kong legislation and codes of practice, a series of refresher training sessions were held this year for Hong Kong staff.



In the case of any employee having concerns, we follow established procedures to address grievances. We investigate all complaints of discrimination and harassment. These procedures ensure fairness and independence in the investigation process, and respect for the confidentiality of the parties involved. In Hong Kong and Australia complaints may also be made to relevant external bodies such as the Equal Opportunities Commission in Hong Kong and the Human Rights and Equal Opportunity Commission in Australia.

Substantiated Complaints

No. of Complaints

	2015	2014
Harassment	1	2
Discrimination	0	0
Human Rights Grievances	0	0
Labour Practices Grievances	0	0

Equal Remuneration for Women and Men

Our approach to the remuneration of men and women is based on equal opportunity and non-discrimination. We apply the same level and structure of remuneration for men and women, and there are no differences in how their pay is determined.

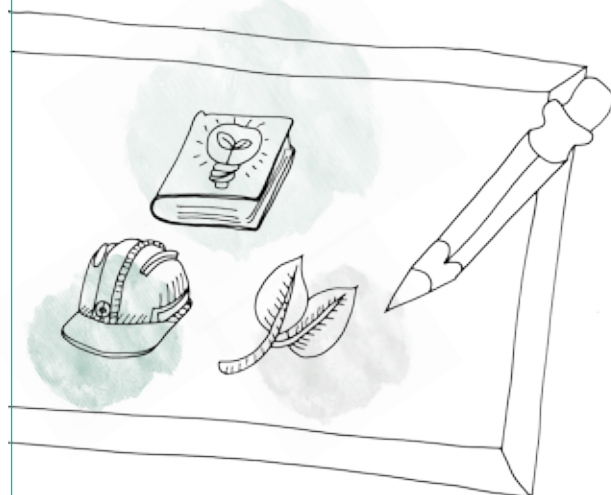
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Training and Education

We are committed to maintaining our investment in formal training and development programmes.

In EnergyAustralia, 294 staff members took part in 21 development programmes that focused on presentation skills, leading change, leadership and business acumen in 2015. In addition, 16 EnergyAustralia colleagues received education assistance during the year.

In India, staff members took part in development programmes that focused on areas like personal, team, organisation leadership, interpersonal effectiveness, and strategic innovation, in 2015. In Hong Kong and India we also have an established programme to provide financial assistance to staff undertaking further education, which sponsored 32 and 24 staff in Hong Kong and India respectively in 2015.



Employee Training of Our Workforce

Average Hours

	2015	2014
BY GENDER		
Male	59.5	48.7
Female	49.7	27.1
BY PROFESSIONAL CATEGORY		
Managerial	45.2	24.1
Professional	57.0	38.6
General & Technical Staff	58.6	49.2
BY REGION		
Hong Kong	55.1	51.3
Mainland China	66.8	88.1
India	34.3	31.6
Australia*	63.5	16.5
Total	57.2	43.4

*2014 data exclude Mount Piper and Wallerawang staff

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Diversity and Equal Opportunity

Given that we employ predominantly local staff in each of the countries that we operate in, CLP is already a very diverse organisation from an ethnic perspective.

Utility industries have historically had a significantly higher percentage of male than female employees. In our case this is compounded by our operating in countries across Asia Pacific that, for cultural reasons, have relatively low levels of female participation in their workforces.

We operate across a number of culturally diverse countries and respect the local differences that result from this. Consequently some diversity-related initiatives reflect locally specific considerations. An example of this is in EnergyAustralia where the Diversity and Inclusion Council's role has continued to evolve with the aim of building an inclusive culture. The four priority areas that the Council support are Return to Work, LGBTIQ, Domestic Violence and Indigenous Rights.

Employee Training by Region, Gender and Professional Category

% of Employees

	2015						2014					
	BY GENDER		BY PROFESSIONAL CATEGORY			TOTAL	BY GENDER		BY PROFESSIONAL CATEGORY			TOTAL
	MALE	FEMALE	MANAGERIAL	PROFESSIONAL	GENERAL & TECHNICAL STAFF		MALE	FEMALE	MANAGERIAL	PROFESSIONAL	GENERAL & TECHNICAL STAFF	
Hong Kong	96.9	98.9	98.7	99.3	95.4	97.2	95.0	84.7	79.9	92.8	94.9	93.2
Mainland China	100.0	99.1	100.0	99.4	100.0	99.8	97.9	97.1	100.0	92.9	99.4	97.7
India	86.3	87.2	90.7	86.1	85.5	86.4	91.7	100.0	92.3	91.0	96.0	92.5
Australia*	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*2014 data exclude Mount Piper and Wallerawang staff

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OUR COMMUNITY

"Care for the community" is one of CLP's core values – it is a value shared by the company as well as our employees. Once a power plant is built, it naturally becomes a part of the local community itself, since our staff, also tend to be locally based. Furthermore, the purpose of our business is to power sustainable development in the communities we operate in, hence working closely with them is critical for us to be able to fulfil our purpose.

The most material aspect identified for 2015 under this focus area is:

Our Community

- Local Communities



Community Sustainability Principles

- 💡 We care for the health, safety and development of the communities in which we operate.
- 💡 We strive to create positive impacts for the society with and for our stakeholders by supporting initiatives that serve the needs and improve the quality of life of the socioeconomically disadvantaged, alleviate poverty, promote diversity and foster social harmony in the communities we serve.
- 💡 We believe in investing in education and development to equip communities and future leaders with the knowledge and skills necessary to tackle complex challenges in the sustainable production and consumption of energy.
- 💡 We support training and skills development initiatives that enhance knowledge in energy and environment to help our communities make informed choices based on a holistic understanding of the energy sector.
- 💡 We support initiatives that contribute to the development and appreciation of history, arts and culture to improve our quality of life and encourage innovation and creative thinking.

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Local Communities

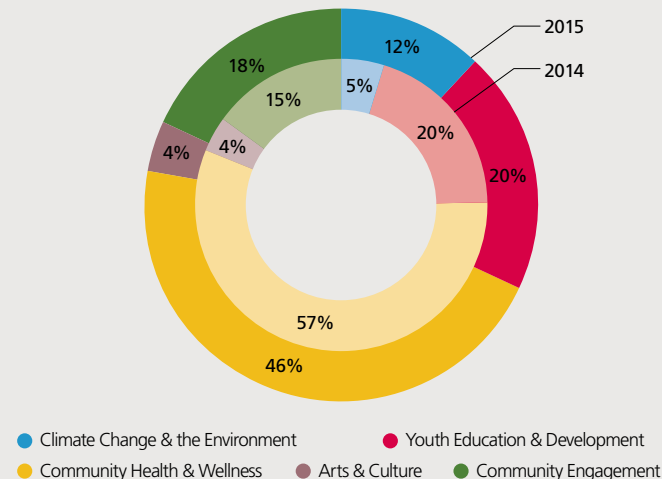
As outlined in our CLP Group Community Investment, Sponsorship and Donation Policy, we apply our skills and resources strategically to projects, programmes and initiatives that have a positive impact on community development for the short and long term. We have grievance mechanisms for impacts on society and proactively engage local communities to create positive impact.

Our community initiatives focus on four pillars: Climate Change and the Environment, Youth Education and Development, Community Wellness and Arts and Culture. As different communities have different needs, our business units have the flexibility to prioritise and address the specific needs and sensitivities of the existing cultures, traditions and values of the local communities. Our local teams have the best knowledge of local priorities and are able to work with local governments and organisations to provide solutions that best match their needs.

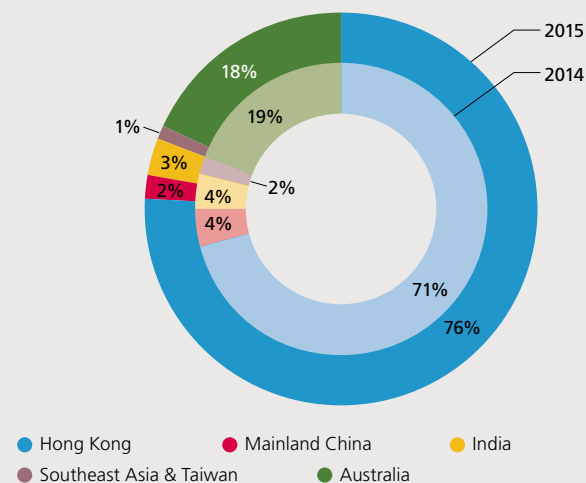
In 2015, we implemented community initiatives in 100% of the regions in which we operate. We measure the resources we invest in our programmes, both in terms of money and time, as well as the number of beneficiaries and community partners. In 2015, the majority of money was spent in Community Health and Wellness (46%) and geographically in Hong Kong (76%). Our cash donations to charities increased to HK\$14,519,000 in 2015 from HK\$12,019,000 in 2014. Our staff contributed 11,675 hours of voluntary service, 13% of which was skill-based volunteering. (requiring electrical engineering skills.)

Our Community Spending

Community Spending by Themes¹



Community Spending by Country¹



¹Figures include rounding adjustments

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Amount Donated for Charitable and Other Purposes

(excludes in-kind donations)

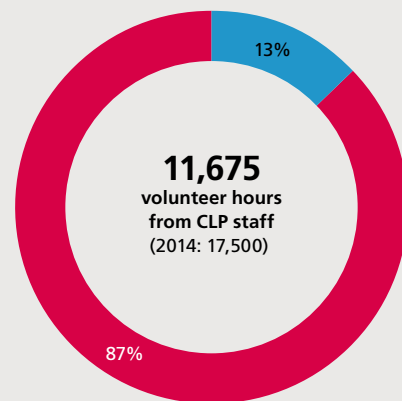


HK\$14.5 million
in 2015



HK\$12 million
in 2014

Contributing our Time and Expertise

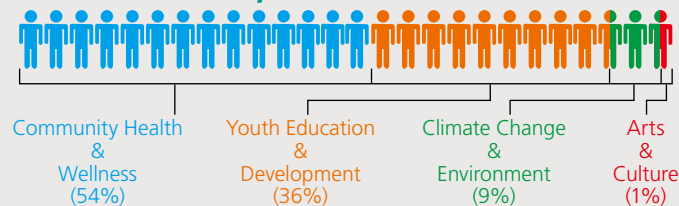


● Skill based¹ ● Non Skill-based

¹Skill-based: Volunteering work that requires electrical engineering skills

Our Beneficiaries

2015 Total: 178,000+ Direct Beneficiaries¹



418 organisations²

benefited including professional bodies, academic institutes, NGOs and community groups

2014 Total: 82,000+



Our Partners



624
in 2015



About 350
in 2014

Our Activities



620
in 2015



640+
in 2014

¹Direct Beneficiaries: The number of people directly reached by or engaged in a community initiative, such as those who have participated directly in a programme, or benefited from the improvements made to relevant facilities or environment.

²In some cases, the impact of the initiatives is better reflected by the benefiting organisation as a whole instead of the countable number of people.

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Hong Kong

The success of our business is closely aligned with the well-being of the community we serve. In Hong Kong, our community initiatives focus on three areas: the environment, youth and education, and community well-being. We work closely with local non-governmental organisations and community groups to identify evolving societal needs and devise programmes that will bring an enduring impact. These collective efforts have brought fruitful outcomes in 2015. During the year, we initiated and supported more than 392 community projects in Hong Kong.

Mainland China

In the Mainland, we have projects spanning across many different locations. Our initiatives are designed to complement both local and national levels, although many of them help to reinforce our relationships with the local communities in which our assets are located. In 2015, we focused on our key areas of youth education and community well-being and launched a range of initiatives to support underprivileged individuals in local communities.

India

CLP India believes in being an active participant in the social and economic development of the communities in which we operate. Our initiatives reflect the needs and expectations of the local communities. In 2015, we actively participated in a wide range of community initiatives, focusing primarily on the areas of health care, youth education, community infrastructure support and the empowerment of women.

Southeast Asia & Taiwan

When operating in different countries, it is important that our initiatives reflect the needs and expectations of the local communities. In 2015, we participated in a range of community initiatives, focusing primarily on the areas of youth education, health, environment and cultural development.

Australia

EnergyAustralia works closely with the local communities in which it operates with the aim of building a reputation as a trusted local operator. Consistent with this approach, in 2015 EnergyAustralia formed a dedicated Social Enterprise team. The team focuses on community engagement, arts & culture, local community infrastructure enhancement works and sporting sponsorships.

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GLOBAL CLIMATE CHANGE CHALLENGE

The Paris Agreement has laid down a clear direction and objectives for global cooperation to tackle climate change. It is envisioned that the momentum in mitigating and adapting to climate change will grow, particularly since each nation has already submitted their Intended Nationally Determined Contributions (INDCs), which essentially reflect their national development plans.

However, the diversity in progress between the developed and developing nations should not be underestimated. As the developed economies experience a slow-down or decline in energy demand and can afford to begin shutting down old coal-fired assets, many of the developing economies that are still in need of energy will find themselves continuing along the coal path for the next decade. INDCs from India and Vietnam for example, indicate this to be the case. CLP will need to navigate through the challenge that this great divide poses for us, given the range of our portfolio that includes both developed and developing economies.

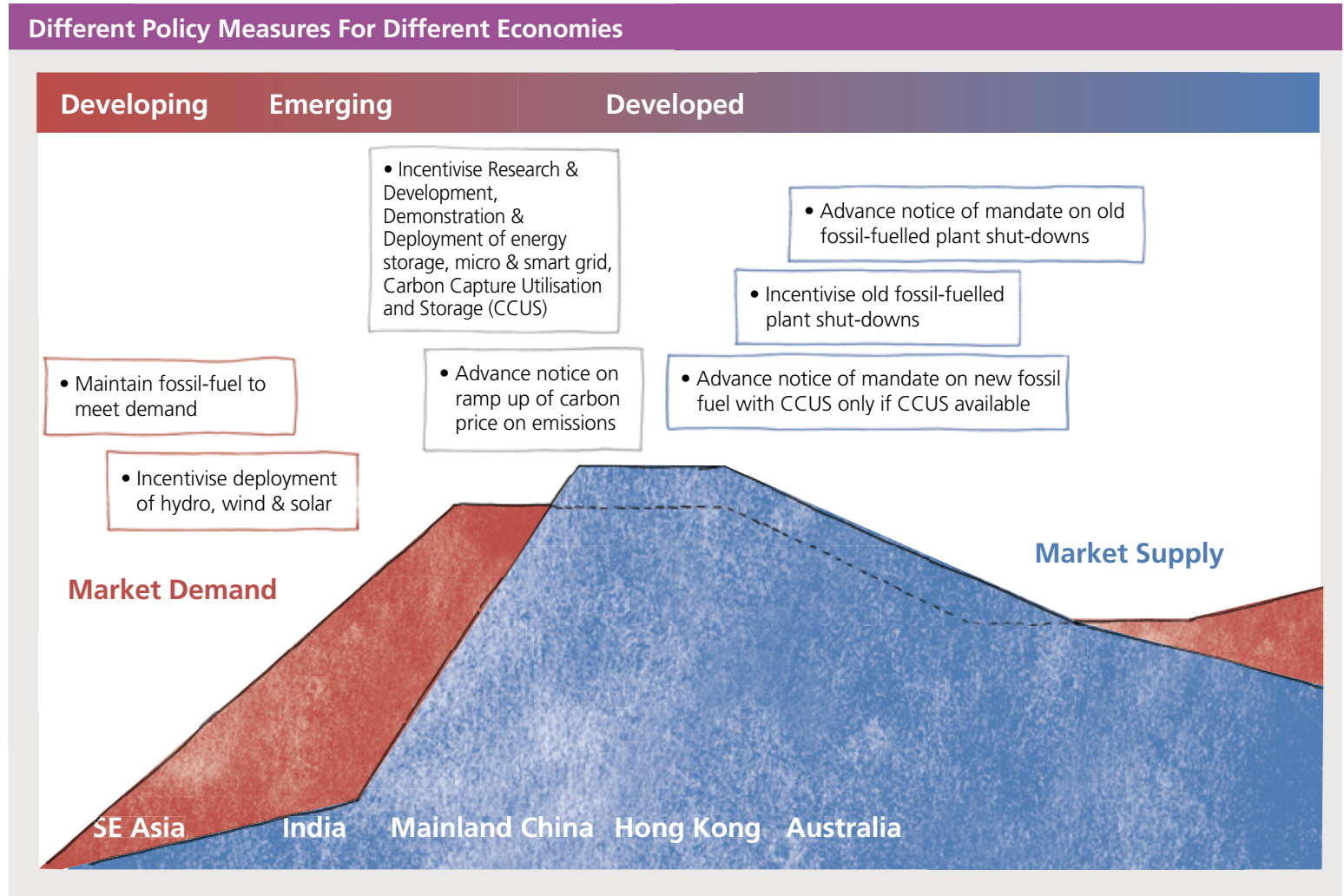
Our purpose is to help economies develop and yet the ones that need help the most tend to be the ones that can only afford to use coal in order to meet their large urgent energy needs today. For now, we are exercising a diversified approach - continue developing as much new renewable energy capacity as we commercially can, while potentially developing thermal power only where needed to help development in these developing economies, but using the best technologies available.



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SMART CITIES OF THE FUTURE

With rapid urbanisation and shifts in global economic power considered as two of the megatrends that will define our future, attention must be paid to ensure adequate resources to cope with the new infrastructure required.

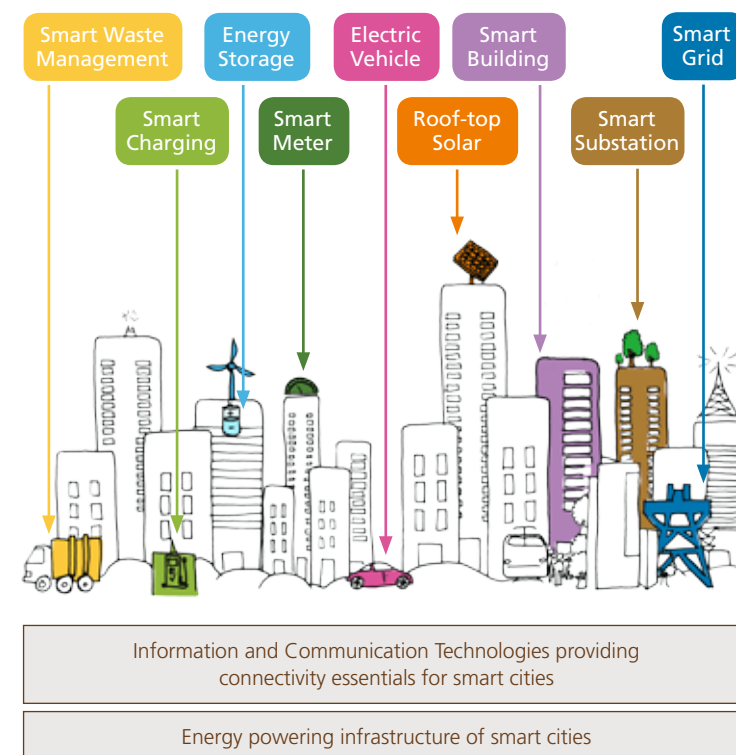
The megatrend in climate change and resource scarcity is leading to more demand for sustainable energy, cleaner air and more efficient transport systems. While the megatrend of demographic and social change is resulting in the demand for not just improved living standards, but for more customer control - deciding when and how they use energy. The megatrend in technological breakthroughs can be seen through the phenomenal growth of Information and Communication Technologies (ICT) being deployed in recent decades, providing ubiquitous connectivity and intelligent automation.

Ultimately, the notion of smart cities has emerged and global cities like Barcelona, Stockholm, Seattle, Seoul, Singapore, New Delhi and Hong Kong are embarking on building their own version of a smart city.

Whilst there is no "one-size-fits-all" model for smart cities, they share some common attributes. Firstly, ICT functions like the neural system of a smart city connecting its citizens – internally and externally. Secondly, smart cities are "smart" only if their governments are committed to support them through policies, incentives and investment. Thirdly, energy represents the most fundamental and critical element as it is required to power the homes, businesses, infrastructure and every aspect of a smart city.

A smart city cannot be built overnight. It takes firm commitment from all sectors to implement and the willingness of citizens to embrace the necessary changes to make it happen.

CLP has been actively working on the development and deployment of smart meters, AMI, distribution automation, renewable development and integration, building energy management systems, micro-grid, an EV charging network, intelligent substations, big data management and climate adaptation. We believe this functional knowledge and experience will enable us to help build the next smart city.



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These tables present a quantitative overview of our 2015 non-financial performance. The indicators are selected from the Global Reporting Initiative (GRI) G4 Guidelines as well as other key performance data. All of the 2015 data presented in these tables, except that which is shaded, has been independently assured by PricewaterhouseCoopers.

Governance

	Note	Unit	2015	2014	2013	2012	2011	Global Reporting Initiative Reference (G4)	HKEx ESG Reporting Guide Reference
Governance									
Convicted cases of corruption		cases	0	0	0	0	0	G4-SO5	B7.1
Breaches of Code of Conduct		cases	6	7	12	14	6		

Financial

	Note	Unit	2015	2014	2013	2012	2011	Global Reporting Initiative Reference (G4)	HKEx ESG Reporting Guide Reference
Financial Information									
Economic value generated									
Revenue		HK\$M	80,700	92,259	104,530	104,861	91,634	G4-EC1	
Economic value distributed									
Operating costs	1	HK\$M	46,682	64,655	81,563	78,474	65,711	G4-EC1	
Staff expenses		HK\$M	3,649	3,980	3,017	2,935	2,623	G4-EC1	
Finance costs	2	HK\$M	4,337	4,332	6,522	6,423	6,005	G4-EC1	
Dividends	3	HK\$M	6,822	6,619	6,493	6,301	6,063	G4-EC1	
Taxes	4	HK\$M	1,818	1,571	839	882	615	G4-EC1	
Donations		HK\$M	15	12	8	4	4	G4-EC1	
Economic value retained	5	HK\$M	17,377	11,090	6,088	9,842	10,613	G4-EC1	

Safety

	Note	Unit	2015	2014	2013	2012	2011	Global Reporting Initiative Reference (G4)	HKEx ESG Reporting Guide Reference
Safety	6								
Fatalities (employees only)	7	number	0	0	0	0	0	G4-LA6	B2.1
Fatalities (contractors only)	7	number	0	1	1	N/A	N/A	G4-LA6	B2.1
Fatality Rate (employees only)	8	rate	0.00	0.00	0.00	N/A	N/A	G4-LA6	B2.1
Fatality Rate (contractors only)	8	rate	0.00	0.01	0.01	N/A	N/A	G4-LA6	B2.1
Lost Time Injury (employees only)	9	number	8	4	5	N/A	N/A	G4-LA6	
Lost Time Injury (contractors only)	9	number	8	19	28	N/A	N/A	G4-LA6	
Lost Time Injury Rate (employees only)	8, 9	rate	0.10	0.05	0.06	N/A	N/A	G4-LA6	
Lost Time Injury Rate (contractors only)	8, 9	rate	0.06	0.15	0.22	N/A	N/A	G4-LA6	
Total Recordable Injury Rate (employees only)	8, 10	rate	0.18	0.26	0.23	N/A	N/A	G4-LA6	
Total Recordable Injury Rate (contractors only)	8, 10	rate	0.28	0.51	0.50	N/A	N/A	G4-LA6	
Days lost / charged (employees only)	11	number	199	105	29	240	674	G4-LA6	B2.2

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Environment	Note	Unit	2015	2014	2013	2012	2011	Global Reporting Initiative Reference (G4)	HKEx ESG Reporting Guide Reference
Resource Use and Emissions	12								
Coal consumed (for power generation)		TJ	450,937	541,865	433,763	361,819	419,357	G4-EN3	A2.1
Gas consumed (for power generation)		TJ	95,591	63,268	73,510	86,200	101,166	G4-EN3	A2.1
Oil consumed (for power generation)		TJ	2,892	2,345	1,973	8,200	1,508	G4-EN3	A2.1
CO ₂ e emissions from power generation (Scopes 1 & 2)		kT	46,723	53,258	44,258	38,464	44,450	G4-EN15 G4-EN16	A1.2
CO ₂ emissions from power generation (Scopes 1 & 2)	13	kT	46,553	53,044	44,076	38,319	44,298		
Nitrogen oxides emissions (NO _x)		kT	56.3	74.6	50.2	42.9	48.1	G4-EN21	A1.1
Sulphur dioxide emissions (SO ₂)		kT	63.4	93.0	50.5	35.1	35.8	G4-EN21	A1.1
Total particulates emissions		kT	9.8	11.5	5.5	4.7	6.2	G4-EN21	A1.1
Water withdrawal								G4-EN8	A2.2
from marine water resources		Mm ³	4,447.6	4,774.5	4,987.9	4,648.6	4,688.6		
from freshwater resources		Mm ³	48.8	52.9	37.2 ⁽¹⁴⁾	35.4	37.9		
from municipal sources		Mm ³	6.6	6.6	6.2 ⁽¹⁴⁾	5.8	5.5		
Total		Mm ³	4,503.0	4,834.0	5,031.0	4,689.6	4,732.0		
Water discharged								G4-EN22	
cooling water to marine water bodies		Mm ³	4,447.6	4,774.5	4,987.9	4,648.6	4,688.6		
treated wastewater to marine water bodies		Mm ³	1.1	1.3	1.2	1.1	0.8		
treated wastewater to freshwater bodies		Mm ³	12.6	14.5	10.1	14.0	18.1		
wastewater to sewerage		Mm ³	1.6	1.8	1.5	1.7	1.8		
wastewater to other destinations		Mm ³	0.1	0.1	0.1	0.3	0.6		
Total		Mm ³	4,463.0	4,792.2	5,000.8	4,665.7	4,710.0		
Hazardous waste produced	15	T (solid) / kl (liquid)	641 / 2,832	484 / 2,783	337 / 1,228	262 / 1,500	799 / 912	G4-EN23	A1.3
Hazardous waste recycled	15	T (solid) / kl (liquid)	203 / 1,176	89 / 1,463	34 / 981	25 / 1,023	36 / 831	G4-EN23	
Non-hazardous waste produced	15	T (solid) / kl (liquid)	11,455 / 199	21,142 / 78	7,700 / 0	10,830 / 21	6,301 / 0	G4-EN23	A1.4
Non-hazardous waste recycled	15	T (solid) / kl (liquid)	4,414 / 199	4,172 / 78	1,853 / 0	2,719 / 4	3,699 / 0	G4-EN23	
Environmental regulatory non-compliances resulting in fines or prosecutions		number	1	1	0	0	0	G4-EN29	
Environmental licence limit exceedances & other non-compliances		number	13 ⁽¹⁷⁾	3 ⁽¹⁶⁾	4	1	5	G4-EN29	
Climate Vision 2050 Target Performance (Equity Basis)	18								
Total renewable energy generation capacity		% (MW)	16.8 (3,051)	14.1 (2,660)	16.3 (2,579)	20.2 (2,734)	18.3 (2,424)		
Non-carbon emitting generation capacity		% (MW)	19.5 (3,543)	16.7 (3,152)	19.4 (3,071)	23.8 (3,226)	22.0 (2,916)		
Carbon dioxide emissions intensity of CLP Group's generation portfolio		kg CO ₂ / kWh	0.81 ⁽¹⁹⁾	0.84 ⁽¹⁹⁾	0.82 ⁽¹⁹⁾	0.77	0.80	G4-EN18	A1.2
Carbon Emissions Intensity of CLP Power Hong Kong Electricity Sold									
CO ₂ emissions intensity of electricity sold by CLP Power Hong Kong		kg CO ₂ / kWh	0.54	0.63	0.63	0.58	0.59		
CO ₂ e emissions intensity of electricity sold by CLP Power Hong Kong		kg CO ₂ e / kWh	0.54	0.64	0.63	0.58	0.59		

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Employees							Global Reporting Initiative Reference (G4)	HKEx ESG Reporting Guide Reference
	Note	Unit	2015	2014	2013	2012	2011	
Employees								
Employees based on geographical location								G4-9 B1.1
Hong Kong		number	4,438	4,405	4,394	4,345	4,259	
Mainland China		number	527	480	469	539	552	
Australia		number	1,998	2,143	1,745	1,302	1,111	
India		number	397	359	360	391	374	
Other locations (Southeast Asia & Macau)		number	–	–	–	4	20	
Total		number	7,360	7,387	6,968	6,581	6,316	
Employees eligible to retire within the next five years	20							EU15
Hong Kong		%	16.2%	15.4%	15.2%	14.0%	13.4%	
Mainland China		%	11.9%	11.1%	12.2%	11.9%	9.6%	
Australia		%	10.9%	9.2%	10.9%	11.9%	9.6%	
India		%	0.8%	1.4%	0.8%	0.8%	1.1%	
Other locations (Southeast Asia & Macau)	21	%	N/A	N/A	N/A	N/A	0.0%	
Total		%	13.3%	12.4%	13.0%	12.6%	11.6%	
Voluntary staff turnover rate	22, 23							G4-LA1 B1.2
Hong Kong		%	2.8%	2.6%	1.9%	–	–	
Mainland China		%	2.6%	2.5%	2.6%	–	–	
Australia		%	13.7%	11.6%	9.4%	–	–	
India		%	9.8%	13.2%	10.1%	–	–	
Other locations (Southeast Asia & Macau)		%	N/A	N/A	N/A	–	–	
Training & Development								
Training per employee	24	average hours	57.2	43.4 ⁽²⁵⁾	5.5	5.6	5.4	G4-LA9 B3.2

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Notes to the KPI Tables

- 1 For simplicity sake, operating costs included earnings attributable to other non-controlling interests and netted with other gain, finance income and share of results (net of income tax) from joint ventures and associate.
- 2 Finance costs include payments made to perpetual capital securities holders.
- 3 The 2014 figure was adjusted to align with current year's presentation basis.
- 4 Represents current income tax but excluding deferred tax for the year.
- 5 Represents earnings attributable to shareholders (before depreciation, amortisation and deferred tax) for the year retained.
- 6 The system of rules applied in recording and reporting accident statistics complies with the International Labour Organization (ILO) Code of Practice on Recording and Notification of Occupational Accidents and Diseases. Safety data are based on information at the time of publication.
- 7 Fatality is the death of an employee or contractor personnel as a result of an occupational illness / injury / disease incident in the course of employment.
- 8 All rates are normalised to 200,000 worked hours, which is approximately equal to the number of hours worked by 100 people in one year.
- 9 An occupational illness / injury / disease sustained by an employee or contractor personnel causing him / her to miss one scheduled workday / shift or more after the day of the injury. Lost Time Injury does not include the day the injury incident occurred or any days that the injured person was not scheduled to work and it does not include restricted work injury.
- 10 Total Recordable Injury is the sum of all occupational injury incidents, illness other than first aid cases. They include Fatalities, Lost Time Injury, Restricted Work Injury, Medical Treatment.
- 11 Time ('days') that could not be worked (and is thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of an occupational accident or disease. A return to limited duty or alternative work for the same organisation does not count as lost days.
- 12 Covered operating facilities where CLP has operational control for the full calendar reporting year.
- 13 Includes Yallourn and Hallett facilities' CO₂e emissions as CO₂ emissions data were not available.
- 14 Data updated to align with reporting definition.
- 15 Waste categorised in accordance with local regulations.
- 16 Yallourn's data updated to reflect compliance status as per local Environmental Protection Authority's notification.
- 17 In 2015 environmental license limit exceedances are counted as one single event per month at the facility level even if there were multiple instances in the month. In 2015, there were 12 environmental license limit exceedances at our Jhajjar power station due mainly to start up, shut down and maintenance and repairs. Because of legacy reporting reasons, concentration license limit exceedances at our Fangchenggang power station are not included in our Group level reporting but are listed in the footnotes of the Fangchenggang Asset Performance Statistics sheet, available on the CLP Group website. We are considering fine tuning our reporting practices for this data point.
- 18 Performance data is consolidated on an equity basis – i.e. if CLP holds a fraction of the total entity, performance is consolidated on a pro rata basis in accordance with CLP's equity holding (it would include all majority and minority share facilities in the CLP Group portfolio).
- 19 CGN Wind not included as per the Greenhouse Gas Protocol due to its accounting categorisation.
- 20 The percentages given refer to full-time permanent staff within each location, who are eligible to retire within the next five years.
- 21 There were no permanent staff in "Other locations (Southeast Asia & Macau)" since 2012.
- 22 Voluntary turnover is employees leaving the organisation voluntarily and does not include dismissal, retirement, separation under a separation scheme or end of contract.
- 23 In Mainland China, voluntary staff turnover rates refer to both permanent and short-term employees. In all other regions, voluntary staff turnover rates refer to permanent employees only.
- 24 The average training hours do not include non CP / AP / SAP re-authorisation web based training.
- 25 Training per employee from 2014 is reported in average hours of training. Prior to 2014, Training per employee is reported in average days of training.