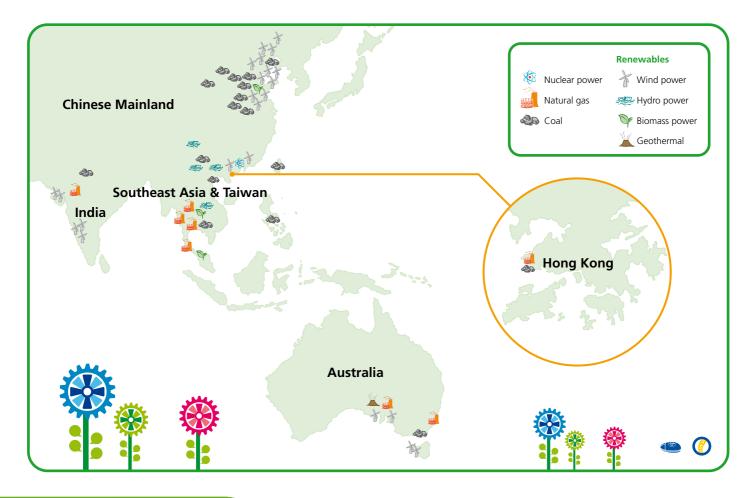




Business Development and Assets





Scope of Report

Our report covers the annual 2009 performance of operating entities in which we have operational control. The Group's strategy, performance and commitments related to climate change expand this scope to include all operating units in which CLP has an ownership interest. In line with our corporate reporting cycle, the 2009 Sustainability Reports (both the online and this printed version) cover issues up to 31 December 2009 and outlook beyond this date.

Operating entities in which CLP has operational control as of 31 December 2009 and their installed generating capacity:

Hong Kong

- Black Point Power Station (2,500MW)
- Castle Peak Power Station (4,108MW)
- Penny's Bay Power Station (300MW)
- CLP Power Hong Kong Limited (Power Systems, and Marketing and Customer Services)



Chinese Mainland

- Fangchenggang Power Station (1,260MW)
- Huaiji Hydropower Stations (125MW)
- CLP Huanyu (Shandong) Biomass Heat and Power (Boxing Biomass) (14MW)
- Dali Yang_er Hydropower Station (50MW)

Australia

- Yallourn Power Station (1,480MW) and Brown Coal Mine
- Hallett Power Station (180MW)
- Iona Gas Storage Facility (22 petajoule)
- Tallawarra Power Station (420MW)

India

• GPEC Power Station (655MW)

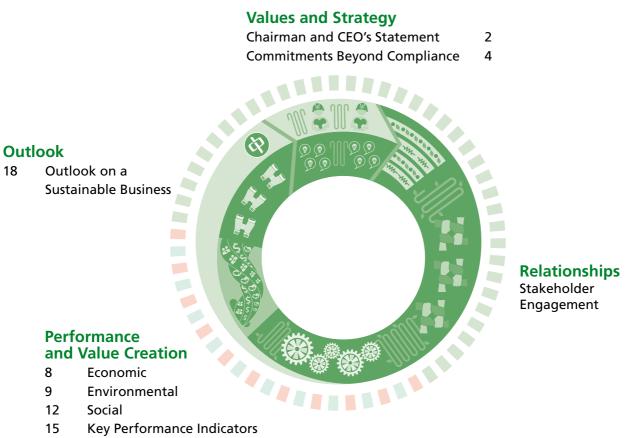


Thailand

• BLCP Power Station (1,434 MW)







16 Progress 2009

6

Process

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- 23 Readers' Feedback

We also publish a full online Sustainability Report. You can access the full report through this link: www.clpgroup.com/sustainabilityreport

Chairman and CEO's Statement

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Andrew Brandler (left)

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Last year we explained how, in order to survive and prosper over the longer term, CLP must conduct its affairs in a manner which is financially sound, delivers value to the societies we serve and responsibly manages the environmental impact of our activities. The bottom line, in this case the triple bottom line, is that we must deliver economic value to our capital providers (shareholders and lenders) and social and environmental value to all our stakeholders.

In this Sustainability Report, we concentrate upon the delivery of social and environmental value, whereas our Annual Report deals predominately with the delivery of economic value. Taken together, the two Reports will give shareholders and all stakeholders a clear, comprehensive and honest view of our performance in managing the economic, social and environmental dimensions of our activities (these are sometimes referred to as 'profit, people and planet').

Although the term 'sustainability' may be a relatively recent one in the business vocabulary, the concepts which it encompasses have been inherent to the CLP culture for the past century. This stems from the very nature of our business – one which demands large-scale, long-term capital investment in assets whose economic life may span many decades, one which involves the submission of an essential public service to society and one which, if not properly managed, has the capability to damage our environment for present and future generations. For these reasons we are, and have long been, conscious of the need for our values, abilities and strategy to guide our company along a path of sustained and sustainable business growth.

Our values, abilities and strategy must adapt to, ideally anticipate, changes in technology, markets and societies' means, needs and expectations – changes which appear to be occurring with increasing frequency. In recent years, we have developed a formal Value Framework which sets out the values which govern ourselves, our business and our relationship with our stakeholders. Our abilities have increased and become more attuned to the importance of excellence in the management of the environmental implications of our business – in recent years, we have acquired experience and expertise in a wide range of clean energy technology, including nuclear, hydro, wind and solar energy. Our strategy specifically addresses the issue of global climate change through our 'Climate Vision 2050' issued in December 2007, which commits CLP to massive reductions in the carbon intensity of our generating portfolio from 2007 through to the middle of this century.

This Sustainability Report is only a summary of CLP's performance in delivering social and environmental value – our online Sustainability Report contains a wealth of detailed information and data. Nonetheless, we hope that it will convey the essence of CLP's performance over the past year and the social and environmental trends and developments which we expect to bear upon our business in the years to come.

We believe that this Report describes a company which is mindful of its responsibilities and which takes practical, meaningful and measurable steps to discharge them. By way of illustration only, in 2009, our social initiatives became more wide-ranging as we continued to expand our initiatives, such as CLP's Young Power Programme and the 5-year Regional Tree-Planting Programme, to a regional basis, benefiting all the communities we serve. Good progress was made in retrofitting our Castle Peak B Power Station, although the emissions performance of our Hong Kong generating plant was disappointing this year due mainly to our depleting gas supply. On the safety front, we are pleased to report zero fatalities in all of our operations.

We hope that this year's Sustainability Report will reinforce your confidence in the values which CLP attaches to sustainable business practices, our ability to give life to the vision of sustainability and our actual performance in doing so. Let us know how you think we are doing. As always, we invite and welcome feedback, whether positive or negative, and any constructive views on how we might do better.

The Hon. Sir Michael Kadoorie Chairman CLP Holdings Limited

Hong Kong, 25 February 2010

Andre Braller

Andrew Brandler Chief Executive Officer CLP Holdings Limited



In the past, CLP has set goals and reported on progress. Comments from stakeholders have highlighted the importance of setting key performance indicators that are material and reflective of the progress and improvements made, rather than project milestones that are 'business-as-usual'. In 2009, we reviewed the previous goals set, and revised them as Group level commitments that are beyond regulatory compliance. These commitments encompass our efforts in the environmental, safety and community areas. We trust that these commitments will more clearly reflect our Group direction and enable our readers to further evaluate our performance.

We will review these commitments periodically to ensure they represent key current issues. We will start reporting our progress on these commitments in the next Sustainability Report.













3. Achieve a continuing and sustainable improvement in safety performance each year that will take us to the objective of zero injuries

- Reinforcing the visible leadership commitment to safety from our managers
- Enhancing our management systems where necessary
- Joining hands with our contractors to keep all their workers safe when working with us
- Eliminating hazards related to human error
- Reinforcing safety reviews to monitor progress and transfer experience across the Group
- Building a culture where people support each other to work safely

Our objective is to provide a safe environment for our employees, our contractors and all others working with us on all our sites regardless of project complexity and cultural considerations. We want everybody to go home safely to their families when they finish their work.

We cannot completely eliminate risks but we strive hard to raise safety standards substantially above the local prevailing norms. We will continue to apply Group and regional level resources to support all those working with us and to provide the necessary management tools and skills to create a culture of zero injuries. We will require our partners and contractors to demonstrate a clear commitment to the same goal.

Community	 4. Community-related Commitments To review and articulate our stakeholder engagement model in 2010 To plant no fewer than 180,000 trees in 2010 in our operating areas so as to raise environmental awareness in the respective communities To engage no fewer than 4,500 students in Hong Kong, the Chinese Mainland and India in the regional Young Power Programme To promote a better understanding of the power industry and environmental awareness by opening our power plants and other educational facilities in Hong Kong, the Chinese Mainland and India for visits by students and members of the public
Why the commitment?	We produce electricity to support the social and economic development of the Asia-Pacific region. We hold our investments for many years and our staff and operations are often deeply embedded in the communities we serve. These drive us to work in partnership with the communities we serve to ensure that our operations create positive social impact and enhance their quality of life. CLP supports programmes that reflect the needs and expectations of local communities. We partner with local people, local organisations and all those involved to see that results could be sustained in the long run. We build the capacity of local communities so that they can improve on results over time. Through this approach, we build strong and enduring relationships with our stakeholders and ensure that our initiatives will bring a positive impact.

Relationships

Stakeholder Engagement

Views from our stakeholders, both internal and external, are extremely relevant to CLP's decisionmaking process. As our 2009 stakeholder consultation for the Hong Kong Offshore Wind Farm proposal revealed, stakeholders have high expectations of us to not only gather a diverse range of views, but to be able to harmonise them in our undertakings. Our Tallawarra gas-fired project in Australia, commissioned in January 2009, demonstrates our continual willingness to communicate with the local community and gain their support. In addition to specific projects, we continue to engage our colleagues and stakeholders to nurture good relationships, such as through the sharing of CLP's position on climate change and encouraging staff and community participation in our initiatives.

Serving our Customers

In order to communicate with and serve our customers better, we revamped the *CLPOnline* customer portal in 2009. Our customers can operate their accounts through this channel while learning about climate change, energy efficiency and conservation, as well as electric vehicles. They can also calculate their carbon footprint and home energy consumption using the online energy and carbon calculators. In Australia, TRUenergy's website also provides ample information on energy efficiency, and options to purchase certified green electricity and carbon offsets.

Working with Suppliers

We aim to foster a collaborative relationship with our suppliers, whether it is on safety, economic or environmental issues. In the spirit of improving our supply chain performance, for instance, TRUenergy in Australia has formally included sustainability into their procurement policy and thus will endeavour to procure commodities, services and supplies that have the lowest possible carbon footprint and impact on the environment whenever it is economically and practically viable.



Andrew Brandler, CEO of CLP Holdings, at the Financial Times / World Energy Council Energy Leaders Summit in London



As part of TRUenergy's policy engagement efforts, Terry Kallis, Managing Director of Petratherm and Richard McIndoe, Managing Director of TRUenergy, met with Australian Federal Energy Minister, Mr. Martin Ferguson, and South Australian Premier, Mr. Michael Rann at Petratherm's site

Policy Advocacy

We actively engage with policy makers and professional bodies on issues that pertain to our business. Globally, the need for an equitable climate regime is pressing as we approach the end of the first 'Kyoto Protocol' period (2008-2012). Given this urgency, we see opportunities in developing Asia where we operate regarding national environmental and climate change policy-making. The highlights for CLP included: TRUenergy's advocacy on the Australian Carbon Pollution Reduction Scheme; participation in the HKSAR Government's consultations for the Air and Water Quality Objectives; participation in the HKSAR Government's Study of Climate Change in Hong Kong; and the publication of 'Beyond Copenhagen' – our Group position on COP15 at Copenhagen and beyond.



CLP has investments in many countries across Asia. With a corporate commitment of reducing the greenhouse gas intensity of the Group's generation fleet to 0.2 kg of CO_2 per kWh by 2050, what government policy settings will be required to support this goal?

What happened at the UNFCCC Climate Summit in Copenhagen reinforces our belief that national policies, not international ones, will have a greater impact on achieving carbon emissions reduction.

As governments develop their Nationally Appropriate Mitigation Action (NAMA) plans, they should have a direct line of sight between policy and investors' returns if they want to mobilise investments in low-carbon solutions. In our view, NAMA and any other national or domestic level policies should be simple, definitive, meaningful and mindful of the long-term nature of investments.

Definitive targets combined with simple policy measures, such as tariff subsidy, will reduce ambiguity for investors. Meaningful measures will also help in bridging the parity gap between coal and clean energy as the latter may remain an uneconomic form of generation without them. Since investments in the power sector are held for many years, it is important to note that if there are changes to a policy after it has been in place, investments made under the old scheme should be exempted from the changes – otherwise investor confidence will be undermined.

But above all, governments should recognise that existing power players are well-placed to help their economies transition to a low-carbon future and that there is no point in wiping them out with ill-devised policies. Mitigation and adaptation objectives that allow for a smooth transition are likely to be more cost-effective and efficient, and should not lead to a sudden elimination of industries. Jobs will also be preserved with the re-training of talent that currently exist within the power industry to take up new roles in a low-carbon power sector.

CLP will certainly be looking at these factors in NAMAs and other national and domestic development policies and plans as we identify opportunities to decarbonise our generation.

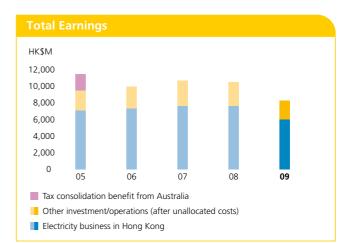
Performance and Value Creation

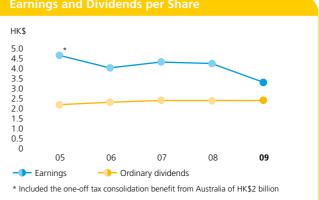
Economic

To be sustainable, our business must generate economic value over the long-term and on a large-scale. To achieve this, we must deliver economic value to our capital providers. A strong balance sheet coupled with good governance is why lenders lend to us. Delivering dividends and share price appreciation are why our shareholders invest in us.

CLP's financial data, business performance and outlook are covered extensively in our 2009 Annual Report. 🙆 Our financial highlights in 2009 include:

- Total Group earnings in 2009: HK\$8,196 million (down by 21.4% from 2008)
- Earnings from our electricity business in Hong Kong: HK\$5,964 million (down by 21.0% from 2008)
- Earnings from our business outside Hong Kong and other earnings: HK\$3,007 million (up by 17.3% from 2008)
- Revenue from our Hong Kong electricity business: HK\$28,297 million (down by 6.3% from 2008)
- Total revenue: HK\$50,668 million (down by 6.7% from 2008)
- Electricity sales in Hong Kong: 30,570GWh (up by 1.7% from 2008)
- Total sales from Hong Kong (which include sales to the Chinese Mainland): 34,301GWh (up by 2.0% from 2008)
- Total dividends for 2009: HK\$2.48 per share (2008: HK\$2.48 per share)
- Total assets as of 31 December 2009: HK\$156,531 million (up by 17.8% from 2008)





Earnings and Dividends per Share

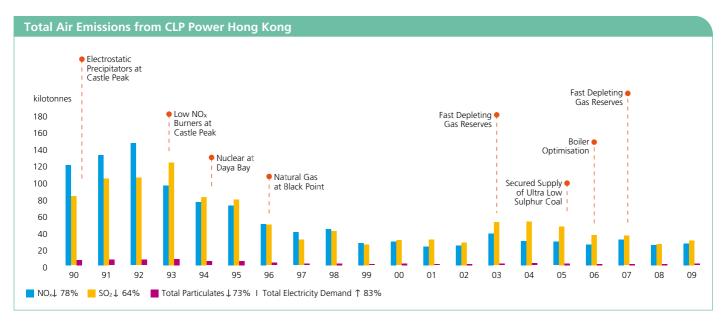
Environmental

Air Quality

CLP considers the management of air emissions a high priority. We carefully select the type and quality of fuels and technologies we use for generation and emissions controls, as well as monitor and report our data vigilantly.

Total emissions of sulphur dioxide (SO₂), nitrogen oxides (NO_x) and total particulates from CLP Group's power stations (under operational control), were at 44.2, 44.0 and 6.8 kilotonnes respectively in 2009. The decline in our Group SO₂ and NO_x emissions and insignificant change in total particulates emissions compared to last year were due mainly to: the unavailability of independently verified BLCP Power Station emissions data in time for publication, although more facilities such as Fangchenggang Power Station and Boxing Biomass Power Station were added for the first time; and operational influences such as the much lower sulphur content of the coal used at Yallourn Power Station this year. For more details on our performance, please see our 2009 Online Sustainability Report.

Hong Kong



Since 2003, we have had to step up our efforts in managing our existing gas reserves which are due to deplete in the early 2010s. We have controlled our emissions towards a general downward trend. However, managing our diminishing gas supply has led to fluctuations in our emissions over the last few years.

In 2009, we continued our efforts to sustain the depleting Yacheng gas supply to last up to 2013, which is when replacement gas is scheduled to be available. Using less gas meant we had to use more coal and so our emissions of SO₂, NO_x and total particulates increased by approximately 20%, 6% and 30% respectively over the 2008 levels. Emissions of SO₂, NO_x and total particulates from all three power stations remained below the regulated base caps in 2009.

Looking ahead, we believe we are on track to complete the Emission Control Project at Castle Peak B Power Station. The project is critical to achieving the drastic reductions in emissions required to meet the 2010 targets set by the Hong Kong SAR and Guangdong Governments.



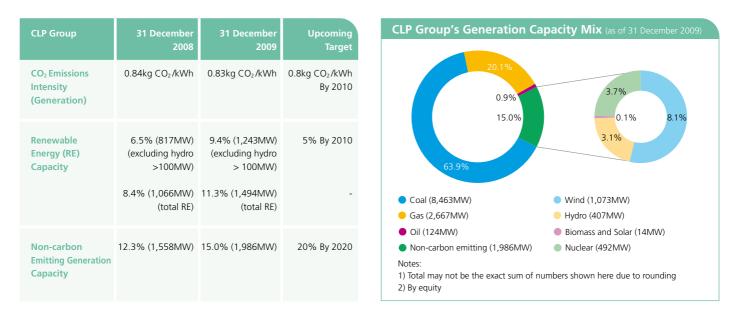
CLP's first electric vehicle (EV) charging stations were unveiled in November 2009, with the remaining scheduled to come online in 2010, amounting to a total of 21 stations. For more information on EV, please check out CLPOnline.

Climate Change

CLP's goal is to reduce our CO_2 emissions in the long run. However, our CO_2 emissions are expected to rise before they will fall due to our continued business expansion in the Asia-Pacific region, where coal is still the most affordable and available fuel of choice and clean coal technology has yet to become commercially viable.

We had expected an increase or peak in our Group CO_2 emissions intensity in 2008 or 2009 compared to 2007 – the year we set our Climate Vision 2050 reduction targets. It appears that our Group CO_2 emissions intensity peaked between 2008 and 2009, since in 2009 our Group CO_2 emissions intensity decreased to 0.83kg CO_2/kWh compared to 0.84kg CO_2/kWh in 2008 and 2007.

In terms of total emissions, the Group CO₂ emissions of our facilities under operational control in 2009 were 49,631 kilotonnes compared to 44,251 kilotonnes in 2008. This was mainly a consequence of the inclusion of data from Fangchenggang Power Station for the first time, an increased use of coal for electricity generation in Castle Peak Power Station, and increased outputs at Yallourn Power Station and GPEC Power Station.

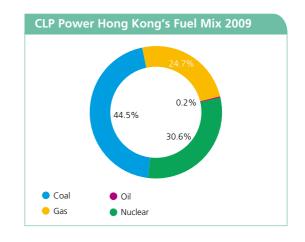


Looking ahead, we believe we are on track to meet our 2010 target of 0.8kg CO₂/kWh, although timely contract and project completions, and commissioning of all new low carbon assets currently in the pipeline, will be critical for achieving this target.

Hong Kong

In 2009, as a result of having to stretch our depleting gas reserves to last up to 2013, when new replacement gas supply is scheduled to be available, less gas and hence more coal was used. Compared to 2008, total CO₂ emissions for our Hong Kong operations increased by 6%. CLP Power Hong Kong's emissions of CO₂ per kilowatt hour (kWh) electricity sold (including imported nuclear power) increased from 0.54 kg CO₂/kWh in 2008 to 0.56 kg CO₂/kWh in 2009.





Energy Efficiency

Energy efficiency not only helps reduce greenhouse gas emissions, but can also help reduce other environmental impacts such as air pollution and waste. In 2009, we continued to promote energy efficiency through the provision of advisory services to our residential and commercial customers and supporting public education in this area.

Hong Kong

CLP provides free energy audit and advisory service to our business customers in Hong Kong. We have provided about 1,000 energy audits to our customers in the last 10 years. We also support our small to medium enterprises business customers in energy efficiency initiatives through our Business Centre.



Reopened in 2009, our Energy Efficiency Centre occupies a floor area of 2,000 sq ft, displaying and promoting the latest energy efficiency products and technologies for the commercial and industrial sector.



CLP's Eco Home, Hong Kong's first green living experience centre, celebrates its first anniversary in November 2009, having introduced more than 6,000 energy efficient appliances and smart plugs / panels to customers.



Since its launch in March 2009, the mobile Green Studio has accommodated over 10,000 visitors (mainly primary school students).

Chinese Mainland

CLP extended its energy efficiency and cleaner production services to the Pearl River Delta with the establishment of CLP Energy Services and Technology (Shenzhen) Co. Ltd. (CLPEST) in August 2008. More than 150 customers, including hotels, factories and office buildings, have already benefited from this initiative. Many of these customers are located in Guangdong and have strong ties with Hong Kong.

Australia

In 2009, TRUenergy provided a popular free service for residents in Victoria whereby we retrofitted customer homes with energy efficient light bulbs and shower heads. In South Australia, we offered a similar service to households under the SA Residential Energy Efficiency Scheme. This scheme also includes energy efficiency audits for customers experiencing financial difficulties in paying their bills.

Environmental Compliance

Unfortunately, in 2009, there was one environmental incident concerning discharge at Tallawarra Power Station, Australia where three breaches of licence occurred. Boiler blowdown water was found to have overflowed into Lake Illawarra on 30 October 2009 due to multiple pump failure. The Department of Environment, Climate Change and Water (DECCW) issued a warning letter to Tallawarra regarding this incident. Tallawarra then submitted a remedial action plan with an implementation schedule to DECCW and no penalty was imposed. We will follow up and report on the progress of the remedial plan in the next report.

Safety and Health

The year 2009 saw an even greater effort and level of resources than ever before devoted to safety improvement activities and initiatives. This resulted in significantly better safety performance, with no fatalities at our sites, and a reduction in the injury rate to our employees. Managers from all sites contributed to this improved performance.

Other achievements in 2009 were the GPEC Power Station in India reaching 11 years without a lost time injury to employees and the Iona Gas Storage Facility in Australia reaching 10 years. There were 25 awards to CLP Power Hong Kong from the HK Occupational Safety and Health Council. GPEC and Ho-Ping have also separately earned the recognition of NOSA five star and four star safety ratings respectively.

Disabling Injury Incidence Rate (DIIR)* for Employees

Disabling injuries include both lost time injuries (LTI) and restricted work cases (RW)

	2009	2008	2007
Hong Kong (CLP HK)	0.02	0.19	0.05
Australia (TRUenergy)	0.74	0.60	0.91
Chinese Mainland (Fangchenggang, Anshun, Huaiji, Boxing)	0.39	0.44	0
India (GPEC)	0	0	0
SE Asia + Taiwan (BLCP, Ho Ping)	0	0	0

* Disabling Injury Incidence Rate (DIIR) is the number of disabling injuries per 200,000 man-hours exposure.

Construction sites are still the highest risk areas and we face particular challenges at Jhajjar in India and Jiangbian in China. We cannot completely eliminate risks but we strive hard to raise safety standards substantially above the local prevailing norms. Jiangbian has been recognised as a model site in Sichuan and Jhajjar has just achieved 3 million man-hours without a lost time injury. However, we are well aware that significant risks remain due to working at height and with rock bursts.

We will continue to apply Group and regional level resources to support all those working with us and to provide the necessary management tools and skills to create a culture of zero injuries. We will require our partners and contractors to demonstrate a clear commitment to the same goal.



🔿 Fire drill at Fangchenggang, Chinese Mainland in 2009



Raising health awareness among women at the Maternal & Child Health Programme in Kasad Village, India

Employees

Our business is nothing without our employees – apart from doing our best to keep them safe and to promote their health and well-being, we also need to attract, retain and develop the people which our business needs.

CLP has a diverse workforce of over 5,700 employees across the region. We believe respect is important and we build it through a number of ways including strict enforcement on anti-harassment and discrimination practices, open and consistent communications with staff, and getting feedback from employee opinion surveys.

We benefit from a stable, loyal and experienced workforce with an average of 16 years of service. To manage the consequence of a relatively high average age, we anticipate and plan well ahead for retirements, particularly for those skills which are specific to



Our employees demonstrated their team spirit at the 2009 Standard Chartered Marathon

the power industry and which cannot easily be sourced in the labour market. Our Management Development and Succession Planning provides a systematic approach to succession with high potential colleagues being managed from the earliest stages of their careers. As they become more senior, oversight of their career development is the responsibility of the Group Management Development Committee, comprising of Group senior executives.

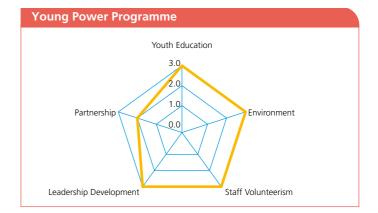
Community Investment

CLP recognises the importance of enhancing stakeholder value through good corporate citizenship. In 2009, we ran a suite of programmes targeting specific issues or social groups, and we commenced for the first time to assess the value these programmes generated. The information will be used to improve our future activities, both in scope and effect.

Our community initiatives are centred on three key pillars —'Community Health', 'Environment' and 'Youth & Education'. In 2009, we initiated and/or supported over 550 community projects across the region where we operate through volunteerism, sponsorship and donation. We also engaged our staff and their families, external organisations and the wider communities. In assessing the value of these projects to our stakeholders, we referred to the London Benchmarking Group (LBG) methodology, which is a worldwide standard on corporate community investments. In 2009, we evaluated five of our community programmes in Hong Kong and India as a pilot scheme.

While our 2009 Online Sustainability Report provides a comprehensive coverage of our programmes, we have selected two programmes of differing nature to illustrate our efforts.

Our different programmes have different objectives and sometimes, depending on the location, the relevance or materiality of the benefits will also be different. It is therefore difficult to fit all our projects into only one results framework and so the LBG methodology was adapted to reflect that. A 3-point scale was developed to help provide a better visual to present our achievements and progress according to the different programme objectives (with: 0 = no achievement; 1 = acceptable but no noticeable achievements; 2 = acceptable and noticeable achievements; and 3 = significant achievements).



Young Power Programme

The CLP Young Power Programme is our longstanding programme for developing future leaders. Since 1999, our young engineers have developed leadership skills through student mentorship and team building activities, and have enhanced their understanding in social and environmental issues. The 2009 programme leveraged on CLP's regional portfolio by expanding beyond Hong Kong to cover the Chinese Mainland and India. For our students, this geographical expansion enables them to broaden their technical understanding and cultural network.

School Reconstruction in Sichuan

In 2008, CLP partnered with the Hong Kong Red Cross to reconstruct two primary schools and one nursery according to government standards in two of the earthquake-struck Sichuan communities. In early 2010, we stepped up our efforts by sending 15 staff volunteers and families to visit the schools and offer help to the local students. Over HK\$6.7 million (approximately US\$860,000) was raised in the Group-wide donation effort, helping the three educational institutions provide learning opportunities to around 570 local students.

Looking forward, we plan to enhance our community programmes further, utilising the measured results to improve and plan activities that bring further value to our stakeholders.





Elderly citizens participating in the "Care for the Elderly – Active Mind" programme in Hong Kong



O Five-year tree planting programme across our operating regions



How does CLP engage its staff on community investment initiatives?

Employees are our most important asset. We value their support and we engage them in all community initiatives. Equally, our staff see the importance of CLP being a good corporate citizen and are willing to invest their own time, resources, knowledge and skills in our projects to make a positive impact on the communities we serve. Their enthusiastic support is evident in all community investment initiatives - from regional programmes such as CLP Young Power Programme and 5-Year Regional Tree Planting Programme, to every local community and charitable event.

For instance, in the CLP Young Power Programme, around 50 engineers volunteered their time to mentor 120 students in 2009 across the region. Over 4,000 hours of service were given to a variety of community services by our CLP Volunteering Team in Hong Kong.

Our staff volunteers also go beyond their own working location to serve a wider community. They visited the schools that were rebuilt with funding from both the company and our staff after the Sichuan earthquake through the Red Cross and helped students put their libraries in order. Eager to see their assistance making a lasting impact, through our Support-a-Student Programme, they provided financial support for students in the rural area of the Mainland so that they could continue their primary education. Over 330 students were funded in the programme since its launch in 2009.

Key Performance Indicators



CLP's Sustainability Report (SR) includes elements and indicators recommended in the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines, an international framework on sustainability reporting. We selected key indicators as listed below from the GRI G3 Guidelines and other key performance data to provide readers with a quick overview of our performance. Independently verified performance data of each of our facilities within the scope of reporting are available in the online SR. Our online SR provides GRI A+ level coverage as per the G3 Guidelines and the Electric Utility Sector Supplement.

Performance Indicators	Units	Year 2009	Year 2008	Year 2007	GRI Reference
Economic Performance					
Total revenue	HK\$ million	50,668	54,297	50,789	EC1
Total earnings	HK\$ million	8,196	10,423	10,608	
Total assets, including leased assets (as at 31 December)	HK\$ million	156,531	132,831	136,277	
Shareholders' funds (as at 31 December)	HK\$ million	70,761	63,017	63,901	
Dividends per share	HK\$	2.48	2.48	2.48	
Return on equity	%	12.3	16.4	17.7	
Environmental Performance ⁽¹⁾					
Coal consumed (for power generation)	TJ	469,509	445.211 ⁽²⁾	413,188 ⁽²⁾	EN3
Gas consumed (for power generation)	TJ	102,160	105,821	93,763	
Oil consumed (for power generation)	TJ	7,185	6,452 ⁽³⁾	868	
Biomass consumed (for power generation)	TJ	1,012 (4)	-	-	
Carbon dioxide equivalent (CO_2e) emissions	kT	49,761 (4)	_	-	EN16
Carbon dioxide (CO_2) emissions ⁽⁵⁾	kT	49,631	44,251 ⁽⁶⁾	34,148 (7)	
Nitrogen oxides emissions (NO _x)	kT	44.0 ⁽⁷⁾	46.9 ⁽⁶⁾	56.4	EN20
Sulphur dioxide emissions (SO ₂)	kT	44.2 ⁽⁷⁾	55.3 ⁽⁶⁾	70.4	
Total particulates emissions	kT	6.8 ⁽⁷⁾	6.8 ⁽⁶⁾	6.3	
Total water withdrawal (for power generation)	Mm ³	3,211.4 ⁽⁴⁾	-	-	EN8
Total water discharge (from power generation)	Mm³	18.96 (8)	17.30	17.27	EN21
Hazardous Waste Produced ⁽⁹⁾	T (solid) / kl (liquid)	771 / 1,011 (4)	-	-	EN22
Hazardous Waste Recycled ⁽⁹⁾	T (solid) / kl (liquid)	57 / 636 (4)	_	-	
Non-Hazardous Waste Produced ⁽⁹⁾	T (solid) / kl (liquid)	5,160 / 0 ⁽⁴⁾	_	-	
Non-Hazardous Waste Recycled ⁽⁹⁾	T (solid) / kl (liquid)	2,369 / 0 ⁽⁴⁾	-	-	
, ,		2,50570			
Climate Vision 2050 Target Performa					
Renewable energy generation capacity (equity basis) ^{(10) (11)}	% (MW)	9.4 (1,243)	6.5 (817)	5.6 (584) (12)	EN6
Total renewable energy generation capacity (equity basis) ⁽¹⁰⁾	% (MW)	11.3 (1,494)	8.4 (1,066)	-	
Non-carbon emitting generation capacity (equity basis) ⁽¹⁰⁾	% (MW)	15.0 (1,986)	12.3 (1,558)	-	
Carbon dioxide emissions intensity of CLP Group's generation portfolio (equity basis) ⁽¹⁰⁾	n kg CO₂/kWh	0.83	0.84	-	EN16
Social Performance					
Total Employees (based on geographical location)	number	5,777	5,717	5,695	LA1
Hong Kong	number	4,164	4,165	4,238	
Chinese Mainland	number	546	525	420	
Australia	number	841	856	890	
India	number	207	143	119	
Other locations (Southeast Asia & Macau)	number	19	28	28	
Employees eligible to retire within the next five years	%	10.3%	8.8%	7.6%	EU15
(based on employing entity)(13)					
Hong Kong	%	11.4%	9.9%	8.1%	
Chinese Mainland	%	5.7%	1.8%	0%	
Australia	%	10.1%	8.6%	9.5%	
India	%	1.5%	1.4%	1.7%	
Other locations (Macau)	%	0%	0%	0%	
Voluntary staff turnover rate	%	2.7%	5.8%	6.1%	LA2
Fatality (employees only) ⁽¹⁾	number	0	0	0 (7)	LA7
Cases of disabling injuries (employees only) ⁽¹⁾	number	3	9	4 (7)	
Days lost / charged (employees only) ⁽¹⁾	number	45	109	39 (7)	
Training per employee	average man days	4.9	5.9	6.5	LA10
Convicted case of corruption	case	0	0	0	SO2
Breach of Code of Conduct	case	8	8	9	SO8
)		

Notes:

 Includes operating entities which CLP has operational control for the full calendar year with the exception of Huaiji, as independently verified data were not available. 2007 and 2008 data revised to align with the scope of reporting to operational control facilities.

(2) Auxiliary fuel oil used at Yallourn included.

(3) Distillate consumed at Hallett not included.

(4) Reporting started since 2009.

(5) CO₂e data for Yallourn and Hallett included.

(6) Fangchenggang was not included because independently verified data were not available.

(7) BLCP was not included because independently verified data were not available.

- (8) Quantity of cooling water discharged (3,163.9Mm³) not included.
 - (9) Waste categorisation is in accordance with local regulations. BLCP liquid waste not included due to the difference in measurement unit.

(10) 'Equity basis' includes all majority and minority share facilities in the CLP Group portfolio.

(11) Hydro plants with capacity larger than 100MW excluded.

(12) Revised to align with current reporting definition.

(13) Employees on fixed-term contract not included.

These data were independently verified by ERM-Hong Kong, Limited. A copy of the verification letter is available on request.

Progress 2009



While we issue new Group commitments this year, we would like to report progress of our previously set goals. These goals will be replaced by the Group level commitments presented in the beginning of this report.

2009 Goals and Progress

Implement the	Goal for 2009 and beyond	Progress
Group Climate Strategy – Climate Vision 2050	Reducing the equity CO ₂ emissions intensity of our power generation portfolio towards 0.2 kg CO ₂ /kWh by 2050	• Equity CO_2 emissions intensity decreased to 0.83 kg CO_2/kWh (down from 0.84 kg CO_2/kWh in 2008)
	Increase our non-carbon emitting generation capacity (by equity) to 20% by 2020	• Increased non-carbon emitting generation capacity (by equity) to 15.0% (up from 12.3% in 2008)
	Continue to reduce reliance on conventional coal-fired generation	 Coal took up 63.9% of our generation capacity (by equity) (down from 65.8% in 2008) Extended our contract for nuclear power to Hong Kong from Guangdong Daya Bay Nuclear Power Station for another 20 years from 2014
Ensure the capacity of renewable energy in CLP's power generation portfolio is at least 5% (equity basis) by 2010	Goal for 2009 and beyond	Progress
	Continue to develop renewable energy projects	 Increased renewable energy (excluding hydro plants larger than 100MW) to 9.4% of generation capacity (by equity) (up from 6.5% in 2008) Increased total renewable energy to 11.3% of generation capacity (by equity) (up from 8.4% in 2008) Commenced Hong Kong's first standalone renewable energy supply for Town Island
	Continue to invest in the development of renewable energy technologies	 Continued evaluation of the commercial deployment of marine tidal technology Achieved casing and cementing of a deep well for TRUenergy's Petratherm geothermal project
	Complete the environmental feasibility assessment for the offshore wind farm study in Hong Kong	 Obtained Environmental Permit from HKSAR Government in August 2009 Continued feasibility study and stakeholder engagement



Take further steps	Goal for 2009 and beyond	Progress
towards assuring the availability of natural gas in Hong Kong by early next decade	Continue to work towards securing sufficient gas supply through the MOU by 2013, when our gas supply from the Yacheng gas field is predicted to deplete	• Continued to secure gas supply through provisions made in the MOU with relevant parties in the Chinese Mainland
Raise the environmental	Goal for 2009 and beyond	Progress
performance of our coal-fired plant in Hong Kong, including the	Obtain permit approvals from government departments	Permits obtained
installation of Flue Gas Desulphurisation (FGD) and NO _x reduction facilities	Meet target dates of phased commissioning in 2010 and 2011	Relocated all targeted facilities and completed Phase I upgrade three months ahead of schedule
Operate our	Goal for 2009 and beyond	Progress
business with zero injuries and extend the disabling injury incident-free period beyond the existing best record for each facility and business unit	Achieve a 50% improvement over 2007 safety performance by 2010	 For employees, Lost Time Injury Incidence Rate (LTIIR) dropped from 0.22 in 2008 to 0.14 in 2009 For employees and contractors, the combined LTIIR remained the same at 0.18 for both 2008 and 2009 The LTIIR for employees in year 2009 has improved significantly as compared to year 2008 (approx. 36% improvement). However, the combined LTIIR for employees and contractor personnel remains stagnant over the year. Consequently, in 2009, we committed to assist our contractors to improve their performance
	Continue the safety plan initiatives including new standards implementation, capability development	 New standards published in the Group Safety Manual Four capability development workshops conducted Results and recommendations from first management safety leadership survey implemented
	Continue the rolling internal peer reviews and audits at our majority owned and/or operational control facilities	 Commenced the third cycle of peer reviews Two lead auditor trainings provided Four safety compliance audits completed International safety benchmarking introduced to two operational and two construction sites
	Establish a safety and health IT platform to support regional safety management	• Safety management IT system developed and rolled out
	Implement Group Crisis Management Policy including Group-wide drills	 A Group crisis management drill conducted Areas for improvement identified and will be followed up as part of the safety commitment for 2010 and beyond



Outlook

CLP will continue to pursue initiatives to meet our targets set down in our Climate Vision 2050 manifesto. This will inherently lead to a continuation of renewable energy and other lower carbon generation development in our service areas, unless government policies become less supportive. For that matter, we are watching policy development closely. We will follow our commitment of not pursuing conventional coal-fired projects in developed countries and give careful consideration to all **economic**, **environmental**, and **social** factors before we do so in developing countries.

Hong Kong



'Towards a Greener Pearl River Delta – a Roadmap for Clean Energy Generation for Hong Kong' issued in 2009, set out CLP's vision for our Hong Kong energy supply for the next 10 years. Our customers in Hong Kong have been receiving reliable energy supply from CLP for decades, and it is our **social** responsibility to continue this outstanding record. We will strive towards a cleaner fuel mix with additional emissions controls, in order to contribute towards improving Hong Kong's air quality and **environment**. We will also continue to support government initiatives such as developing charging infrastructure for electric vehicles, and promoting energy efficiency both within CLP and to our customers. All these will be done with sound **economic** contribution to our bottom line, in order to fulfill our responsibilities to shareholders and yet bearing in mind the tariff concerns of our customers.

Australia



The major challenge for our business in Australia will continue to be uncertainties surrounding the proposed carbon trading legislation, given its political uncertainty. Its current form severely limits the ability of brown coal-fired generators such as TRUenergy, to invest in new opportunities. Given the right **economic** incentives, coupled with **social** demands, the need to transition Australia to cleaner generation for a more sustainable **environment**, is likely to create opportunities for new investments, particularly in new gas-fired capacity, as well as renewable energy.



In the Chinese Mainland, we are gradually repositioning CLP's presence away from coal-fired generation towards lower emitting generating sources, including natural gas, renewable energy and nuclear power. There are supporting policies in the Chinese Mainland which allow us to pursue these alternative energy sources economically. Furthermore, as the Chinese Mainland becomes a major economic force in the world, there will be increasing **social** pressure in China to move towards greater measures in **environmental** protection while it continues to pursue its **economic** development.



In India, we have the opportunity to build a balanced portfolio including a range of generation technologies and transmission projects. Government policies in India are supportive to **environmentally** friendly renewable energy but there is a clear **social** dimension to our projects in India in terms of energy security. Our growth in India will be consistent with the CLP Group's Climate Change Strategy and aligned with our values, but our proposals must be also be **economically** competitive. Winning our Jhajjar Power Station project is a clear demonstration of our efforts in trying to balance social, environmental and economic concerns.

In the rest of Asia, we will apply the same strategy of an integrated approach but with local-specific considerations on all economic, social and environmental aspects when reaching our business decisions.



CLP has been devoting increasing efforts to sustainable development over the last decade. How could CLP ensure an optimal balance of economic, social and environmental interests in our investment portfolio? How could CLP engage and even earn support from all different stakeholders (e.g. shareholders, lenders and communities) to our long-term commitment to sustainable development?

When CLP considers new investments, it will undertake certain pre-investment requirements that look at environmental and social aspects as well as economic viability. More specifically, prior to being presented before the Investment Committee (IC) for approval (or pre-approval), all our potential new investment projects are assessed for social and environmental risks in addition to the typical business risks, with input from a number of functional units including Group Human Resources, Group Public Affairs and Group Environmental Affairs. At the IC meeting, relevant members of Senior Management have the opportunity to further query or elaborate on the assessment.

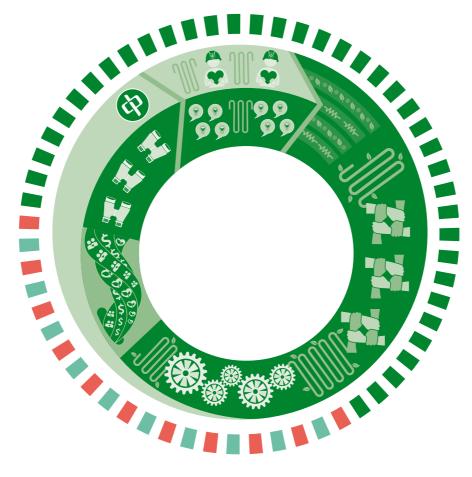
To earn support from our stakeholders, we need to earn their trust. Trying to balance the economic, social and environmental aspects is already a challenge. But trying to communicate our decisions when we have different types of projects ranging from small renewable energy projects to large baseload fossil-fuelled power plants, spanning over different markets in both regulated and de-regulated but mostly developing ones, under various political and regulatory regimes, is even more challenging. It is easy to appear inconsistent when 'one size does not fit all'. The only solution is to be honest and transparent.

Hence, to earn the trust of our stakeholders, we must communicate with them in an open and honest manner as well as on a regular basis. Sharing of expectations, challenges and experience is essential to fostering the mutual understanding and capacity for arriving at solutions that help strike the balance necessary for the sustainable development of both the community and our business.

Towards this end, this year we have presented a case study on the new coal-fired Jhajjar Power Station in India, in our 2009 Online Sustainability Report. In this case study, we summarise our key decision-making challenges so that our stakeholders can feedback to us their concerns and views on our process and decisions made.

Processes and Systems





Managing sustainability issues across CLP's functions and geographical span can be challenging because of the different generation types, regulatory situations, and social settings. To ensure control robustness and to strengthen our competitiveness, we deploy and regularly upgrade a range of systems and processes, including corporate functions to assist us in achieving our goals.

Sustainability Committee

CLP's Sustainability Committee is a Board level function which oversees CLP's position and practices on sustainability issues that affect shareholders and other key stakeholders. Appointed by the CLP Holdings Board of Directors, the Committee comprises of Executive Directors and Independent Non-executive Directors of the Board, Group Director – Carbon Ventures, and Director – Group Environmental Affairs.

The Committee reflects the Board's increased focus on managing the social, environmental and ethical risks and opportunities that CLP faces. Its key function is to ensure that these risks and opportunities are properly identified, and steps taken to address them. Recommendations from the Committee are available for the Board's consideration in setting the overall direction of the company.

Environmental	Country	Hong Kong				
Systems & Certifications	Facility	Black Point	Castle Peak	Penny's Bay	CLP Power Hong Kong	CLP Power Hong Kong
	Business Type	Power Generation	Power Generation	Power Generation	Power Systems	Marketing & Customer Services
	Environmental Management System	ISO 14001	ISO 14001	ISO 14001	ISO 14001	ISO 14001
	Continuous Emissions Monitoring Systems	\checkmark	\checkmark	Nil	Not Applicable	Not Applicable

Facility Level Systems

Many of our functional groups utilise information technologies and management systems effectively.

Information Technology

Information technology (IT) is crucial for us to be able to manage large volume of data amongst facilities. Our Group Information Reporting System and Group Safety and Health IT Platform are examples of how IT has enhanced the robustness of data, the dissemination of information, and online reporting from multiple departments and locations.

Management Systems

Environment and safety are two key areas that have benefited from robust management systems. Our operations adopt internationally certified environmental, safety and health management systems such as ISO14001, OHSAS1800, AS4801 and NOSA to systematically measure and improve performance. These facility level systems are based on Group policies, which serve as guiding principles to ensure that a certain level of quality is required and achieved.

IT and management systems are just two examples of how CLP takes on systematic approaches to deal with issues. Our systems and processes serve different objectives; some are for longer term improvement such as in safety, and some more informational based such as in data collection. There are also procedures in place to deal with ad-hoc or isolated incidents. The emergency response system to deal with the H1N1 epidemic is an example of addressing a particularly important and pressing issue. We also have systems in place to prepare for crisis and emergencies that are not foreseeable. For these, we perform crisis management activities and drills regularly throughout the Group.

Our 2009 Annual Report and 2009 Online Sustainability Report contain more information on CLP's systems and processes. 🙆 🕖



O CLP's annual Contractor Safety Management Seminar in Chengdu, December 2009

Australia				Chinese Ma	ainland			India	Thailand
Yallourn	Hallett	Tallawarra	lona	Fangcheng- gang	Huaiji	Dali Yang_er	Boxing Biomass	GPEC	BLCP
Power Generation	Power Generation	Power Generation	Gas Storage	Power Generation	Power Generation	Power Generation	Power Generation	Power Generation	Power Generation
ISO 14001	Under Planning	Under Planning	ISO 14001	Under Planning	ISO 14001	Under Planning	Under Planning	ISO 14001	ISO 14001
\checkmark	Nil	\checkmark	Not Applicable	\checkmark	Not Applicable	Not Applicable	\checkmark	\checkmark	\checkmark



The qualitative information in this Sustainability Report has been verified by an independent third party, SustainAsia. The verification statement is shown below.



SustainAsia Ltd 3905 Two Exchange Square, Suite No. 7495 8 Connaught Place Central, HONG KONG

T (852) 3667 9118 F (852) 3010 1285 E <u>info@sustainasia.com</u> Company Registration No. 955342

Assurance and Verification

SustainAsia Ltd has been commissioned by CLP Holdings (CLP) to provide independent verification of CLP's 2009 Sustainability Report – In Essence (this Executive Summary), which is an abridged version of the online report. This Executive Summary is issued along with CLP's 2009 Annual Report.

Scope of verification and methodology

The verification process was performed over the January – February 2010 period and its objective was to provide an independent opinion on the accuracy and robustness of the information presented in this Executive Summary, and on its consistency with CLP's 2009 Online Sustainability Report.

SustainAsia's scope of verification was limited to the qualitative information presented in this Executive Summary and excluded quantitative indicators and financial information.

SustainAsia selected a representative sample of qualitative statements in the draft report (English version) for verification, through applying AccountAbility's Five Part Materiality Test. The verification was conducted through desktop review of report content, online questionnaires, documentation review and interviews with designated CLP personnel.

As a result of this process, SustainAsia has made some observations and suggested minor adjustments and amendments to the original draft Executive Summary. We have also made recommendations to improve CLP's sustainability management and reporting system.

Conclusion

Within the scope of our assignment, we have assessed the qualitative statements sampled from this Executive Summary and verified their accuracy. We believe this Executive Summary offers highlights of CLP's sustainability challenges that are consistent with the 2009 Online Sustainability Report.

Songler

Christophe Bongars Chief Executive Officer, SustainAsia Ltd Hong Kong, 26 February 2010

The 'Key Performance Indicators' on page 15 of this report, as well as the performance data of each of the facilities under the reporting scope, have also been independently verified. A copy of the verification statements can be made available upon written request.





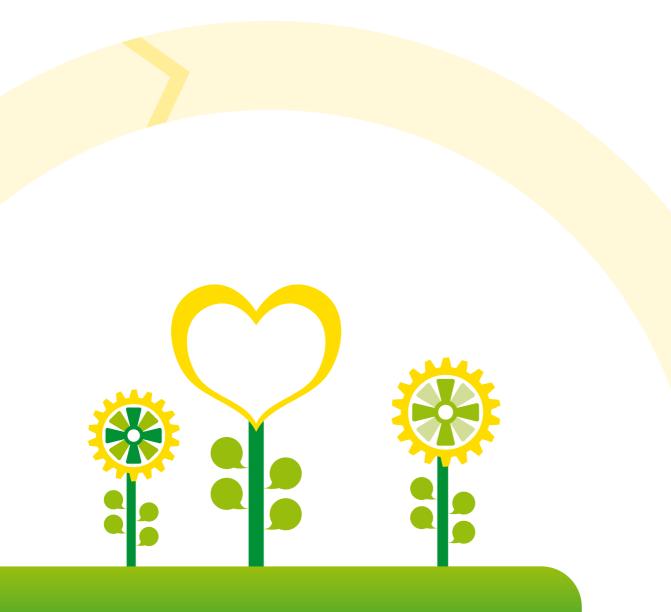
This year, we continue to provide a shorter printed version with detailed information in the 2009 Online Sustainability Report (www.clpgroup.com/sustainabilityreport). Please let us know whether you like this arrangement. Apart from this, any feedback from our readers is important in helping us improve our performance as well as reporting. Please take a few minutes to give us your views and return this form by fax or mail. Alternatively, you can give us your feedback electronically using the online feedback form, or through the given contact below.

This year, for every feedback regardless of the format we receive it in, we will donate HK\$60 to the Society for the Welfare of the Autistic Persons (SWAP).

1. Do you like this short printed	version, with details available in the online version?
Yes No	
Please tell us why:	
2. Your view on our reporting q	
Excellent Goo Please tell us why:	d Fair Poor
3. Your view on our performance	e:
Excellent Goo	
a) If you ticked "Excellent" or "Go	ood", what did we do well in? (You may choose more than one)
	ate Change Safety Community
Stakeholder engagement	
b) If you ticked "Fair" or "Poor", v	vhat do we need to improve most? (You may choose more than one)
Air Quality Clim	ate Change Safety Community
Stakeholder engagement	
4. Any other comments / sugges	itions?
Please send your comments to:	In September 2010, we will upload a feedback summary along with our
Simeon Cheng	responses to our CLP Group website's Sustainability Report page, and send a
Group Environmental Manager	copy to those who provided feedback. If you would like a response, please
CLP Holdings Limited	provide your contact information or send an email to SRfeedback@clp.com.hk
147 Argyle Street	
Kowloon, Hong Kong	Name:
	Email:
Fave (952) 2670 9452	
Fax: (852) 2678 8453	Mailing Address:
Email: SRfeedback@clp.com.hk	



The Society for the Welfare of the Autistic Persons (SWAP) is a charitable organisation dedicated to improving and promoting rehabilitation work for persons with autism. SWAP's 'Social Skill Development Program For Autistic Persons' supports the purchase of equipment and educational materials to help the social/emotional skills development of 550 SWAP members, and the 'Publication of Introductory Booklet For Parents With Autistic Children' supports the production of 3,000 copies of the booklet to help parents with suspected/newly diagnosed autistic children.



How can you contact us?





Simeon Cheng Group Environmental Manager

CLP Holdings Limited 147 Argyle Street Kowloon, Hong Kong Fax: (852) 2678 8453 Email: SRfeedback@clp.com.hk

We invite you to give feedback on our report and performance. You may use our feedback form or your own chosen format.

We a report feedba We pla chose shareho commu fe We pledge to donate HK\$60 to this year's chosen charitable organisation for each shareholder who elects to receive corporate communications electronically, and for each feedback that we receive on the Sustainability Report.



CLP Group

TRUenergy www.truenergy.com.au

CLPOnline www.clponline.com.hk

www.clpgroup.com

2009 Online Sustainability Report www.clpgroup.com/sustainabilityreport

Related Publications and Websites





CLP's Value Framework





Beyond Copenhagen - Powering Asia Responsibly

CLP's Climate Vision 2050 - Our Manifesto on Climate Change

CLP Holdings 2009 Annual Report 🙆



CLP Technology Roadmap



CLP Group

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Stock Code: 00002



