

Commitments Beyond Compliance

In the past, CLP had set goals and reported on progress. Stakeholders have highlighted the importance of setting key performance indicators that are material and reflective of progress and improvements made, rather than project milestones that are “business-as-usual”.

Hence, in 2009, we reviewed the 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, and include qualitative initiatives as well as quantitative targets that go beyond compliance. We will review these commitments periodically to ensure they represent key current issues.

Environmental



1. Implement the Group Climate Strategy – Climate Vision 2050

- A reduction in the CO₂ intensity of our generation portfolio from 0.84kg CO₂/kWh to:
 - 0.8kg CO₂/kWh by 2010
 - 0.6kg CO₂/kWh by 2020 (Revised in 2010)
 - 0.45kg CO₂/kWh by 2035
 - 0.2kg CO₂/kWh by 2050
- Increasing the share of non-carbon emitting generation capacity in our portfolio to 30% by 2020 (Revised in 2010)

2. Ensure the capacity of renewable energy in CLP's power generation is at least 5% (equity basis) by 2010

- Announced in 2010, a new target of 20% of CLP Group's equity generating capacity powered by renewable energy by 2020

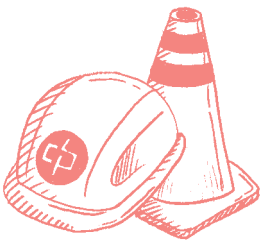


Progress







We met the target of reducing our Group-wide CO₂ emission intensity to 0.8kg CO₂/kWh from a baseline of 0.84kg CO₂/kWh in 2007 as of 31 December 2010.

We also met our target to have 20% of our generating capacity as non-carbon emitting by 2020 as of 31 December 2010, 10 years ahead of schedule. So we have set a new target of 30% by 2020.

As of 31 December 2010, our total renewable energy generation capacity has increased to 2,286MW on an equity basis, which is equivalent to 16.8% of our total equity based generation capacity (14.0% excluding hydro >100MW). This formally concludes our previously set target of having 5% of our generation portfolio from renewable energy (excluding hydro >100MW) by 2010.

<p><i>Safety</i></p> 	<p>3. Achieve a continuing and sustainable improvement in safety performance each year that will take us to the objective of zero injuries:</p> <ul style="list-style-type: none"> • 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
<p><i>Progress</i></p> 	<p>We have made good progress under each of the initiatives listed under this commitment. Please refer to the Online Sustainability Report for a detailed account of our progress. </p> <p>Our combined disabling injury incidence rate for employees and contractors improved to 0.18 (0.19 for 2009), despite the growth of our portfolio and the challenges from high risk construction activities.</p> <p>However our safety performance improvement in 2010 was overshadowed by one employee fatality in Meter Reading in Hong Kong, two subcontractor fatalities at Jhajjar, India (one additional fatality at Jhajjar in February 2011). The Jhajjar and the Jiangbian Hydro projects remain the most challenging in respect of safety management. We are implementing additional controls to reduce the risk and continuing to reinforce the message that safety is our highest priority.</p>

<p><i>Community</i></p> 	<p>4. Community-related Commitments</p> <ul style="list-style-type: none"> • 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
<p><i>Progress</i></p> 	<p>In 2010, we reviewed our stakeholder engagement model, which will help us perform our stakeholder engagement work in a more systematic way in the future. Please refer to the Online Sustainability Report for more details. </p> <p>During the year, we planted a total of over 245,000 trees, thus surpassing our target. Please refer to the Online Sustainability Report for more details. </p> <p>5,000 students participated in the Young Power Programme and the follow-up in-school presentations. Furthermore, 8,500 members of the public had the opportunity to view and be involved in projects implemented by the students.</p> <p>Electrodrome, an interactive education and exhibition centre funded and operated by CLP in Ahmadabad, Gujarat, India, was opened during the year, joining our other educational facilities in the Chinese Mainland and Hong Kong to meet this goal. During the year, over 610,000 members of the public, including students, visited the facilities.</p>

How Can You Contact Us?



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

We pledge to donate HK\$60 to a charitable organisation (this year, Families of Spinal Muscular Atrophy) for each shareholder who elects to receive corporate communications electronically, and for each feedback that we receive on the Sustainability Report.

Related Publications and Websites

- CLP Group** www.clpgroup.com
- 2010 Online Sustainability Report**
www.clpgroup.com/sustainabilityreport
- CLP Hong Kong** www.clp.com.hk
- Hong Kong Nuclear Investment Co. Ltd.**
www.hknuclear.com
- CLP China** www.clp.com.cn
- CLP India** www.clpindia.in
- TRUenergy** www.trueenergy.com.au
- The Hong Kong Heritage Project**
www.hongkongheritage.org



Our Journey to a Low-Carbon Energy Future



CLP's Value Framework



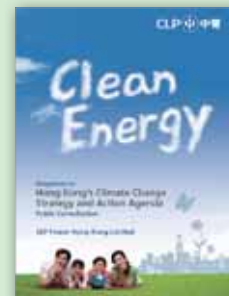
CLP Holdings
2010 Annual Report



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



Beyond Copenhagen
– Powering Asia Responsibly



CLP's Response to
Hong Kong's Climate
Change Strategy
and Action Agenda
Consultation Paper



CLP Technology Roadmap 2010

*All these publications are available on our website.



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This year, we continue to provide a shorter printed version with detailed information in the 2010 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 contact given in the inner cover page of this report.

This year, for every feedback regardless of the format we receive it in, we will donate HK\$60 to Families of Spinal Muscular Atrophy (SMA) Charitable Trust (www.fsma.org.hk).

1. We included more information on our financial performance and our workforce in this year's report.

Do you find it useful?

☐ Yes ☐ No

Please tell us why: _____

2. How would you rate our reporting quality? (1 being least satisfied, 10 being most satisfied)

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10

Please tell us why: _____

3. How would you rate CLP's sustainability performance? (1 being least satisfied; 10 being most satisfied)

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10

a) If you are satisfied with our performance (with rating 6 or above), which area did we do best in?

(You may choose more than one)

☐ Air Quality ☐ Climate Change ☐ Safety ☐ Community ☐ Stakeholder engagement

Others, please state: _____

b) If you are dissatisfied with our performance (with rating below 6), which area do we need to

improve most? (You may choose more than one)

☐ Air Quality ☐ Climate Change ☐ Safety ☐ Community ☐ Stakeholder engagement

Others, please state: _____

4. Have you read our Online Sustainability Report?

☐ Yes ☐ No

Any specific comments: _____

5. Any other comments / suggestions?

Please send your comments to:

Simeon Cheng
Group Environmental Manager
CLP Holdings Limited
147 Argyle Street
Kowloon, Hong Kong

Fax: (852) 2678 8453
Email: SRfeedback@clp.com.hk

In September 2011, we will upload a feedback summary along with our responses on our Group website, and send to those who provided feedback. If you would like us to send you the feedback report, please provide your contact information or send an email to SRfeedback@clp.com.hk

Name: _____

Email: _____

Mailing Address: _____



Families of SMA Charitable Trust (FSMA)

This year our donation will go to FSMA (www.fsma.org.hk), which was founded in Hong Kong in 1998 to relieve the hardship and suffering of patients with an extremely debilitating genetic disease called Spinal Muscular Atrophy (SMA). SMA is a rare disease, but when it strikes it is terribly debilitating and merciless to young children and even babies. There is currently no treatment and no cure for SMA.

FSMA provides life-saving and life-sustaining para-medical machinery, financial assistance, self-help programmes and outings for SMA patients and their families to promote common support and understanding. FSMA also supports international medical research into this disease.

With your support, FSMA would like to purchase stand-by life saving medical machinery and continue to offer home-based rehabilitation therapies. The special medical machinery, such as ventilation support equipment, will be held by FSMA to be loaned out temporarily to any family whose child may be in need of aggressive medical intervention. The home-based rehabilitation therapies programme provides professional therapists who visit patients' homes to assess, advise, reach and monitor patients' conditions. This programme, currently supporting 70 registered patient members and newly diagnosed babies, helps ensure severely and chronically ill SMA patient are being properly cared for at home.