

2024

Dear Supplier,

At CLP, suppliers are critical to us, as is our decision in the selection of the suppliers that we do business with. We strongly believe that with our suppliers, we can build value chains to support the Group's environment, social and business objectives, in line with our vision to be a leading responsible energy provider from one generation to the next.

In 2022, we released [CLP's Supplier Code of Conduct](#) (the Code), which details requirements that suppliers must comply with and work towards around 11 sustainability topics:

- Legal Compliance
- Business Ethics
- Cybersecurity
- Quality and Safety
- Environmental Management
- Climate Change
- Employee Health and Safety
- Labour Practices and Human Rights
- Diversity and Inclusion
- Community Relations
- Supply Chain Management

To advance our sustainability journey together, I am pleased to let you know that we are rolling out a multi-year Sustainable Procurement Programme. As part of the Programme, we would highly appreciate your cooperation in acknowledging the Code and if required to provide evidence of accreditations, certifications, sustainability assessments, compliance review and audit reports related to the topics included in the Code.

To minimise any gaps between your existing sustainability approach and the Code, we will work together with you to formulate and implement enhancement plans within feasible timelines. We are committed to providing feedback and advice in assisting you to meet our expected standards.

If you have any inquiries or suggestions, please contact your CLP procurement representatives or contract responsible officers.

Thank you for your continued support and cooperation. CLP is committed to accelerating the pace of decarbonisation to meet our emissions targets as well as achieving other key sustainability performance objectives. Let's work together to improve our supply chain sustainability performance.

Yours sincerely



Ajitpall Singh
Director – Commercial and Supply Chain Management
CLP Holdings Limited

CLP's Supplier Code of Conduct



Introduction to the Code

The CLP Group is headquartered in Hong Kong, listed on the Hong Kong Stock Exchange (0002.HK) and is one of the largest investor-owned power businesses in the Asia-Pacific region with investments in businesses spanning across Hong Kong, Mainland China, Australia, India, Southeast Asia and Taiwan.

In pursuing our business objectives, we care how results are obtained, not just that they are obtained. [CLP's Value Framework](#) is a clear statement of our commitments to how we treat our people, our relationships with customers, investors, business partners, governments and the wider community, and how we manage the impact of our operations on the natural environment, underscoring the integral role of sustainability in our long-term development.

We strongly believe that with our suppliers we can build value chains that at their core will support the CLP Group's environment, social and business objectives, in our vision to being the leading responsible energy provider in the Asia-Pacific region.

Our suppliers are critical to us, as is our decision in the selection of the suppliers that we do business with. Globally, we source a significant volume of goods and services to support our capital programmes and operational requirements, across a diverse range of industries and geographies. We strongly believe that with our suppliers we can build value chains that at their core will support the CLP Group's environment, social and business objectives, in our vision to being the leading responsible energy provider in the Asia-Pacific region.

The *Supplier Code of Conduct* (the *Code*) is derived from our values, policies, standards and objectives. It is CLP's general statement on our expectations of the suppliers we are doing business with and those who want to do business with us. Each CLP business may build on the *Code* with their specific requirements of their suppliers.

Throughout the *Code*, the use of the term CLP refers to the CLP Group and CLP Holdings Limited, its wholly owned subsidiaries, and joint ventures or companies in which CLP holds a controlling interest.

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The background of the page is a photograph of two men in safety gear (hard hats and high-visibility vests) standing on a solar panel array. One man is pointing towards the panels while the other holds a document. The text is overlaid on the lower-left portion of the image.

How CLP will use the Supplier Code of Conduct

The *Code* comprises 11 sustainability topics, representative of our responsible procurement practices. In each, we highlight the requirements our suppliers must comply to and our expectations of what should be worked towards. We are committed to working alongside our suppliers to reach our expected standards. If there is a gap between a supplier's approach and the *Code*, we will encourage the supplier to formulate and implement an enhancement plan.

We will reference the *Code* if an event or circumstance arises and CLP needs to make a judgement, or an assessment of a supplier's business conduct.

We encourage our suppliers to monitor, manage and disclose their performance with the *Code* and to extend similar principles into their upstream supply chains.

To support our efforts in managing our supply chains, we may request a supplier to cooperate with us and provide evidence of accreditations, certifications, self-assessments, compliance review and audit reports relating to the subject matter of the *Code*.

Responsible Procurement Practices



Legal Compliance

The CLP Group operates in different jurisdictions with the support of suppliers throughout the global supply chain. Our activities are therefore subject to the laws of different jurisdictions, statutory requirements and statutory codes. Our reputation as a responsible energy provider is very much interlinked and built on compliance with the laws and regulations of the jurisdictions in which we operate, including those of the countries where the transaction occurs.

Our suppliers must:

- Comply with the laws and regulations of the jurisdictions in which they do business.
- Ensure products are compliant with the rules and regulations of the jurisdictions in which they are exported to.
- Maintain all business licenses and permits in accordance with applicable laws and regulations.
- Maintain procedures, processes and controls to keep updated with the applicable laws and regulations.
- Inform CLP of any sanctions or other restrictions that it is subject to, and any risks arising out of conducting business for CLP.



Business Ethics

In alignment with [CLP's Value Framework](#), we are committed to conducting all business with integrity, ensuring impartial business decisions without conflict of interest or undue influence, and safeguarding the business against bribery and unethical behaviours and practices.

Our suppliers must:

- Do business in an honest, transparent, and professional manner; and be aligned with our [Anti-Fraud Policy](#).
- Not provide any advantage in connection with a business transaction, including cash, gifts, loans, fees, rewards, commissions or entertainment and other benefits to CLP employees.
- Have a zero-tolerance policy to unethical business activities such as bribery and corruption, money laundering, fraud, extortion and embezzlement, collusion (including participation in cartels), conflict of interest, anti-competitive behaviour, insider trading, and infringement of intellectual property.
- Actively report and manage potential conflicts of interest.

Our expectations for suppliers:

- Procedures, processes, internal training programmes, and other controls to prevent, detect, and respond to unethical behaviour and practices.
- Accessible channels for employees and stakeholders to raise concerns and complaints in a confidential manner and without fear of retaliation.



Cybersecurity

We recognise the rising risks of cyber threats and data privacy; and we are committed to taking actions to respect and protect our own data and the personal data of our customers.

Our suppliers must:

- Accept they play a role in protecting CLP's digital assets.
- Comply with all relevant data privacy and information security laws and regulations.
- Have policies and processes in place to protect data privacy when any form of sensitive information is collected, stored, processed, transmitted, or shared.

Our expectations for suppliers:

- Comply with CLP's data security requirements.
- Comply with CLP's cybersecurity requirements, including appropriate measures to identify and manage potential risk areas.
- Have data security incident detection and response protocols and a reporting mechanism to alert CLP of security incidents involving CLP's data.



Quality and Safety

We are committed to providing affordable and reliable energy, quality service and value to our customers. We have been able to deliver and achieve this with the support of our suppliers.

Our suppliers must:

- Conduct business in accordance with all applicable safety laws and regulations of the jurisdiction in which they operate.

Our expectations for suppliers:

- Products and services provided to CLP are of the highest standard of quality and safety, and delivered in a timely manner.
- Have product safety management systems and safety technologies in place which evolve and improve over time.
- Collect information on product safety and quality and use it for continuous improvement.
- Integrity and transparency in managing quality and safety.
- Incident response protocols to alert CLP of incidents or breaches that may affect the health and wellbeing of CLP's customers and the reputation of CLP.
- Have a product recall or rectification programme in the event that quality defects and safety issues are detected in supplied products.



Environmental Management

Reducing the impact our business has on the natural environment is a critical element of CLP's operating model. We are committed to minimising the environmental impact of our value chain while taking active approaches to protect and preserve the natural environment.

Our suppliers must:

- Conduct their business in accordance with all applicable environmental laws and regulations of the jurisdictions in which they operate.

Our expectations for suppliers:

- Identify and evaluate the environmental aspects and associated risk of business activities.
- Have an environmental management system when significant environmental aspects are identified.
- Adopt direct measures to prevent and mitigate the environmental impact of the resources used and waste generated.
- Continuously monitor environmental performance and regularly disclose the progress to CLP and wider stakeholders.
- Actively seek opportunities to protect and restore biodiversity and natural capital.



Climate Change

Climate change is one of the most critical challenges our world is facing. We are progressively decarbonising our portfolio of power generating assets and evolving our business model to support our customers to improve energy efficiency. We are also seeking to reduce our Scope 3 greenhouse gas (GHG) emissions including our upstream supply chains. As we transition to a low-carbon economy, we are conscious that the associated social impacts are minimised.

Our expectations for suppliers:

- Support us to achieve [CLP's Climate Vision 2050](#) commitments.
- Measure and disclose greenhouse gas emissions.
- Have a decarbonisation strategy with emissions reduction targets.
- Reduce energy consumption and transition to clean energy sources.
- Conduct an impact assessment of their business on climate-related risks and integrate climate action into their core business strategy.
- Action to adapt to the physical risk of climate change to ensure resilience.
- Explore opportunities from climate change in the transition to a low-carbon economy.



Employee Health and Safety

Safeguarding the health, safety, and wellbeing of our employees is a CLP core value. We will provide guidance and support to our suppliers to create a healthy and safe workplace for their employees.

Our suppliers must:

- Conduct business in accordance with all applicable health and safety laws and regulations of the jurisdiction in which they operate.

Our expectations for suppliers:

A demonstrable commitment to health and safety that may include:

- Identifying significant workplace hazards and risks and implementing prevention and mitigation measures.
- Developing employee competencies to ensure work is done safely where personnel are engaged in activities that may pose a hazard to their safety or the safety of others e.g. manufacturing, working at heights, hazardous chemicals.
- Providing appropriate levels of competent supervision to ensure work is done safely.
- Continuously monitoring health and safety performance and regularly disclosing the progress to CLP and wider stakeholders.
- Having protocols to respond to safety emergencies and incidents that mitigate impacts.
- Retaining evidence of learning from incidents and making improvements.





Labour Practices and Human Rights

At CLP we respect all internationally recognised human rights relevant to our operations and recognise the value of our employees, their families and the communities we operate in. As a responsible business we are committed to cascading this value to our operations and our suppliers to provide a dignified, fair and equal workplace.

Our suppliers must:

- Conduct business in accordance with all applicable labour and human rights laws and regulations of the jurisdictions in which they operate.
- Have zero tolerance in respect of any child labour and use of forced or compulsory labour at any point in their operations and upstream supply chains.
- Not employ any person under the age of 15, or younger than the local legal minimum age for work, whichever is higher.

Our expectations for suppliers:

- Observe [CLP's Group Labour Standards](#).
- Ensure that regular (i.e., normal contractual hours excluding overtime and meal breaks) and maximum working hours comply with requirements under relevant local legislation and applicable industrial instruments.
- Pay a living wage or legally established minimum wage; with a similar obligation on suppliers in the upstream supply chain.
- Respect workers' right to freedom of association and collective bargaining; allow employees to form or join professional unions and other organisations and professional bodies of their choice.
- Have a confidential whistleblowing mechanism with appropriate procedures to investigate and address reported concerns and violations, with such mechanism including safeguards against retaliation.
- Provide access to remedy for the supplier's workers and those employed in their supply chains if they are exposed to harm or violation of their human rights.



Diversity and Inclusion

CLP operates in multiple jurisdictions with a workforce and customer base consisting of a variety of different cultures and backgrounds. We are committed to providing an inclusive and diverse workplace that enables us to serve our diverse portfolio of customers.

Our suppliers must:

- Conduct business in accordance with all applicable laws and regulations governing diversity and inclusion in the jurisdiction in which they operate.
- Have zero tolerance of any form of discrimination and harassment.

Our expectations for suppliers:

- Implement programmes to foster employees' health and wellbeing and create an inclusive working environment.
- Establish non-discriminatory mechanisms and processes in recruitment, remuneration, and performance evaluation of employees.
- Review workforce diversity metrics such as gender distribution regularly.



Community Relations

Our operations have a direct and indirect impact on the local communities in which we operate. Through open communication and engagement with local communities, we strive to create a positive impact and minimise our operational impact.

Our expectations for suppliers:

- Establish a process to identify and mitigate risks imposed by products and operational activities on local communities.
- Have an open communication channel for community members to raise concerns and grievances.
- Actively support the communities in which business is conducted. This includes:
 - Conducting outreach activities to improve community well-being, competency, and resilience.
 - Adopting initiatives that serve the needs of socio-economically disadvantaged communities.
 - Providing support to small and medium, local and indigenous businesses and entrepreneurs to contribute to economic development and wealth.



Supply Chain Management

As we cascade our commitments and expectations in doing business responsibly to our suppliers, we encourage our suppliers to do the same with their upstream suppliers.

Our expectations for suppliers:

- Monitor and measure performance of upstream suppliers in accordance with the expectations set out in this *Code*.
- Be transparent in providing fair and ethical treatment to upstream suppliers.
- Adopt robust programmes for the management of upstream suppliers, including:
 - A supplier's own code of conduct which incorporates values aligned with this *Code*.
 - Elements of responsible procurement, such as supplier selection including sustainability criteria and risk ranking, supplier sustainability audit and capacity building programmes.
- Actively educate procurement teams on the sustainability-related risks.
- Engage regularly with upstream suppliers to enhance competency to manage risks.



Communication

It is important to us that all suppliers understand the requirements and expectations of this *Code* and we welcome their feedback.

We encourage suppliers to contact us through their CLP procurement representatives or contract responsible officers about inquiries, suggestions, or comments. Suppliers may follow CLP's [Whistleblowing Policy](#) to raise any concerns directly to CLP Group Internal Audit.

About CLP Group

The CLP Group is one of the largest investor-owned power businesses in Asia-Pacific with investments in Hong Kong, Mainland China, Australia, India, Southeast Asia and Taiwan. Our business spans every major segment of the electricity value chain including retail, transmission and distribution, along with a diversified portfolio of generation assets. CLP takes a long-term view of our business and is committed to building a sustainable business fit for the future.