

CLP Group
Progress on Clean Air Charter
(Nov 2006)

We will voluntarily:

Signatories to this Charter undertake to implement appropriate measures to put their commitment into effect.

Our progress/Status

1 Operate by a recognised world class standard, or the standards established by the Hong Kong / Guangdong governments on emissions of air pollutants, even if it is not a requirement to do so here.

Each participant can identify the relevant standard, and if not meeting it today, make plans to meet it. Participants with significant emissions should state which standard they are operating by, and how they are performing relative to that standard. Participants that are working towards a better standard can also disclose the difference between their performance today and the better standard, as well as their plans and schedule for meeting it.

a. CLP Power's facilities are operated according to world-class safety and environmental management systems, certified to the standards of ISO 14001 since year 2000.

b. In support of the Hong Kong Government's 2010 emissions reduction targets, CLP is undertaking major emissions reduction projects that will bring our Castle Peak Power Station (CPPS) in line with the international standards for existing power stations in Europe, Japan and North America.

c. CLP's other emissions reductions efforts in Hong Kong include:

- Bringing in liquefied natural gas to Hong Kong, which will enable us to increase our gas use of up to 50%;
- Increasing our use of ultra low sulphur coal since 2005;
- Exploring feasibility of an offshore wind farm in 2006.

d. In line with international best practice, CLP's environmental performance is overseen by CLP's Social, Environmental and Ethics Committee of the Board of Directors. CLP's environmental compliance status is reported to the Chairman of the Board on a weekly basis. CLP's facilities maintained 100% compliance with all environmental requirements of Hong Kong APCO Specified Process Licenses continuously since 1999, including emissions caps set out by the EPD for 2006.

2 Use continuous emissions monitors (CEMs) at significant sources, e.g. large and medium plants.

Each participant can identify its own significant sources, and if not monitoring today, make plans to do so. These participants should state their intentions.

CLP's Castle Peak and Black Point power stations are all equipped with Continuous Emissions Management Systems (CEMS) to monitor our emissions. CEMS data is continuously fed directly to the Environmental Protection Department to monitor compliance with stack emissions concentration limits in our licenses.

3 Publish information on energy and fuel use, as well as total emissions of air pollutants annually and timely, if emissions are significant.

Each participant can determine whether it has significant emissions, and if so, determine how to quantify them. They should publish information on their energy and fuel use, as well as air pollution emissions, as part of their regular environmental reporting, or as a special environmental report on air quality.

a. CLP has published our fuel consumption and annual emissions data in our award-winning Social & Environmental Reports dating back to 2001, and previously in our Environmental Safety and Health report dating back to 1997. Starting December 2005, we have published our quarterly Hong Kong emissions data on our website.

b. The quality of fuel is a key factor in determining power plant emissions. CLP Power is a pioneer of clean fuels in Hong Kong, including natural gas, nuclear power, and use of ultra-low sulphur coal with sulphur content as low as 0.1% (compared to EPD low sulphur coal limit of 1%)

CLP Group
Progress on Clean Air Charter
(Nov 2006)

We will voluntarily:

Signatories to this Charter undertake to implement appropriate measures to put their commitment into effect.

Our progress/Status

4 Undertake to adopt energy-efficient measures in their operations.

Each participant can identify energy-efficient measures and formulate a plan to effect these measures in their business operations.

- a. CLP has energy saving programmes in place for power generation, power delivery and our vehicle fleet, including:
 - implementing a boiler optimization system at Castle Peak Power Station in 2005 to reduce fuel consumed and emissions per unit electricity generation;
 - introducing the award-winning environmental substation design, which conserves energy and provides other environmental benefits, while meeting the requirements for The Hong Kong Energy Efficiency Registration Scheme for Buildings;
 - purchasing 16 low-emission hybrid vehicles, making CLP the owner of one of the largest hybrid vehicle fleets in Hong Kong today.
- b. CLP continues to introduce new energy saving measures throughout our business.

5 Identify and encourage business-relevant measures to be taken on days when air pollution is high.

Each participant can determine how it can contribute emissions reductions on high pollution day, such as by promoting public transportation for commuting workers, by working with their customers or vendors to reduce emissions elsewhere in the value chain, by substituting a different process, material or equipment at their own facilities, or by re-scheduling things that could be done at another time.

- a. CLP encourages energy efficiency among electricity users in our value chain through:
 - CLP's PowerWise programme and its dedicated website, which attracts over 10,000 viewings per month
 - energy-savings advisories to more than 6,000 general and residential customers annually
 - CLP's Energy Innovation Fund, providing HK\$ 1 million in sponsorship to community projects in renewable energy and energy efficiency annually since 2003
 - the Young Power Programme 2006 co-organised by CLP and Junior Achievement Hong Kong
 - "Sustain Us" bi-lingual sustainable energy curriculum and teacher training provided free to 200 participating junior secondary and secondary schools in Hong Kong
- b. CLP also encourages energy efficiency for our employees and at our offices through:
 - our Go Green Campaign to encourage our colleagues to take an active role in the conservation of energy and resources at work
 - our pledge to comply with the "Energy Conservation Charter 2006 - Suitable Room Temperature" launched by EPD
- c. CLP's tree planting and green roof campaigns also help to improve air quality in Hong Kong. Our pledge includes:
 - planting 30,000 trees in Tai Lam Country Park in Tuen Mun over the next three
 - developing Hong Kong's first "skywoodland" where trees and scrubs will be planted on the rooftop of a CLP substation facility

CLP Group
Progress on Clean Air Charter
(Nov 2006)

We will voluntarily:

Signatories to this Charter undertake to implement appropriate measures to put their commitment into effect.

Our progress/Status

6 Share air quality expertise of business with others.

Participants that have expertise, particularly on any of the above items, can host visits or make other arrangements for their staff to share what is relevant to others.

- a. CLP shares expertise in energy efficiency through:
 - over 70 energy audits for large commercial and industrial customers in 2005;
 - opening the new Energy Efficiency Exhibition Centre at CLP's Shamshuipo Centre;
 - continued support for the Energy Efficiency Centre at the Science Museum, which attracts over 600,000 visitors annually.
- b. CLP has been sponsoring air quality and environmental conferences, including:
 - Air Quality Models Intercomparison Workshop (2005)
 - Pearl River Delta Regional Air Quality Management Capacity Building Workshop (2005)
 - Developing Improved Regional Inventories for China (2006)
 - Canadian Chamber of Commerce Climate Speaker Series (2006)
 - International Conference on Climate Change (scheduled for 2007)
 - 10th International Conference on Atmospheric Science and Applications to Air Quality (ASAAQ)" (scheduled for 2007)
- c. CLP conducted exchanges with leading power plants in the world and benchmarked against world's best practices to gain insights from others.
- d. CLP works on sustainability issues in the international electricity sector with seven other leading companies through the World Business Council for Sustainable Development (WBCSD). In October 2006, we launched the WBCSD publication "Powering a Sustainable Future"
- e. CLP provides environmental briefings to stakeholders, including:
 - regular briefings on environmental matters to legislators and District Councils
 - a series of workshops on LNG and its air quality benefits with representatives from environmental groups
 - talks on air quality and other environmental issues given by our staff to business and professional associations
- f. CLP sponsors university research and demonstration projects, including these current studies:
 - renewable energy resources in Hong Kong and Guangdong (Hong Kong University of Science and Technology - HKUST)
 - solar-boosted heat pump (HKUST)