

CLP Holdings

Response received by BHRRRC from CLP Holdings regarding assessment of exposure to and steps taken in response to forced labour issues in XUAR as documented by Sheffield Hallam University, among others, 14 July 2023.

(1) Assessment of exposure

“As set out in CLP’s Group Labour Standards, we prohibit the employment of forced labour in any of our operations. The steps we take to prevent such practices include stringent checking and control procedures in selection and onboarding processes.

To support our efforts in managing our supply chain, we released a new Supplier Code of Conduct in 2022, laying out expectations for suppliers in 11 responsible procurement practices, including supply chain management as well as labour practices and human rights. We expect our suppliers to 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.

From our supplier database, we can track the registered addresses of our direct suppliers. In order to do business with CLP the suppliers of CLP Power Hong Kong Limited and CLPe Solutions Limited are required to complete self-assessments and declare they have no use of forced labour. Also, to ensure legal compliance, CLP regularly assesses its suppliers’ compliance with local laws and regulations.

To further assess our supply chains, CLP Power Hong Kong Limited is undertaking a pilot study of about 100 direct suppliers, of which 15% are located in Mainland China, to map where their products or services were sourced from and to understand more about their procurement practices. The study is expected to be completed by the end of 2023. CLP will then analyse the results and decide the next steps.

In Australia, under the Modern Slavery Act (2018), CLP’s subsidiary EnergyAustralia is required to produce an annual Modern Slavery Statement outlining its actions to identify, assess and address the risks of modern slavery in its operations (its people) and its supply chains.

EnergyAustralia’s Statement covers any entity it owns or controls (its subsidiaries) with consolidated revenue of over AUD\$100 million in the reporting period. Key performance indicators have been established to measure the effectiveness of its modern slavery approach, which includes measures around risk identification, engagement, education and oversight.

It also has stringent processes in place that are regularly reviewed to identify where risks of modern slavery exist within its business. The process includes surveying its suppliers by asking a range of questions relating to suppliers’ knowledge of their supply chain; organisational policies, including modern slavery; countries from which the products or services were sourced from; the country in which they are headquartered; awareness of allegations of modern slavery in their operations, industry or supply chain; organisational size; and whether they screen suppliers in their supply chain for modern slavery risks.

In India, CLP’s joint venture Apraava Energy is planning a pilot study to review the upstream supply chain of its suppliers.”

(2) Steps taken in response

“At CLP, we respect all internationally recognised human rights relevant to our operations. We are also committed to cascading this value to our suppliers.

We confirm that the CLP Group had business with four suppliers since they were identified in the report in 2021. We have taken actions to address this.

Considering alleged risks of modern slavery in solar panel supply chains, CLP's subsidiary EnergyAustralia conducted a review in 2022. An outcome of the review was to identify the opportunity to source and contract with new solar panel providers. As a result, it has moved its sourcing of solar panels to two alternative suppliers with a lower risk profile in relation to solar panel procurement.

For the other two suppliers, we will continually assess their compliance with local laws and regulations and alignment with CLP's Supplier Code of Conduct to manage any potential human rights risk."