



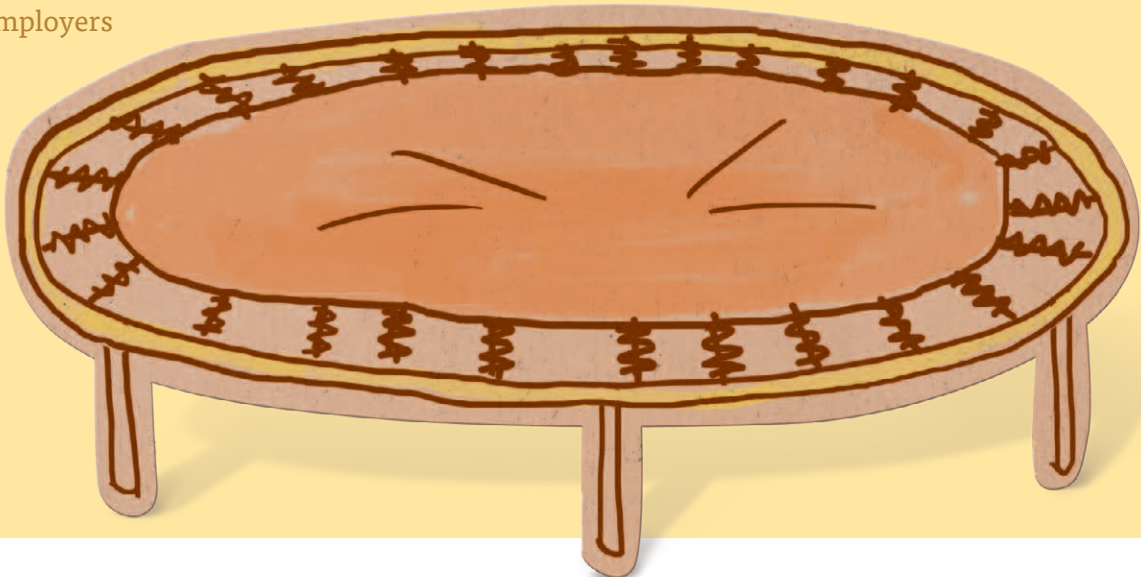
>84,000  
total training hours



# Top 10

Most Attractive  
Employers

57  
major suppliers  
reviewed for  
their CSR  
performance



# Working with our Partners

We

Enhance  
Employee  
Relations

Nurture  
Talent

Foster  
Employee  
Well-being

Provide a Safe  
and Healthy  
Workplace

Manage our  
Supply Chain

We work closely with our employees and suppliers to serve Hong Kong in a sustainable and responsible manner. Among our main responsibilities, we have an obligation to take care of our employees and to encourage our suppliers to share our CSR values, particularly with regard to health and safety at work.

We pride ourselves on being an employer that enables our people to fully develop their personal and professional potential based on our human resources strategy “SHINE”: Synergy, Holistic development, Ideal workplace, Nurture future leaders and Excellence.

In the workplace, health and safety considerations take a high priority in all of HK Electric’s business decisions. Underlined in our Health and Safety Policy and overseen by our Health and Safety Board chaired by our Managing Director, our primary objective is to make all of our operations accident-free. By running health and safety management systems in line with OHSAS 18001 standard, we strive to make continuous improvements in our safety performance.

We also have a Code of Practice for Suppliers that outlines the ethical, human and labour rights, health and safety, and environmental protection standards they are expected to follow.

## Shared Concerns

### Employee Relations | Nurturing Talent | Employee Well-being

- Hiring and retaining talented people is essential for an organisation’s business success.
- All employees have the right to develop their full potential and receive compensation commensurate with their roles and responsibilities.
- Qualified, experienced professionals are in high demand, especially within the power industry. This can create challenges for recruitment and retention.

### Safe and Healthy Workplace

- Health and safety is a key focus for all.
- To achieve the goal of zero accidents, preparing to meet unforeseeable risks and minimising human errors are essential.
- HK Electric must make a concerted effort to provide a safe and healthy working environment for its employees and business partners.

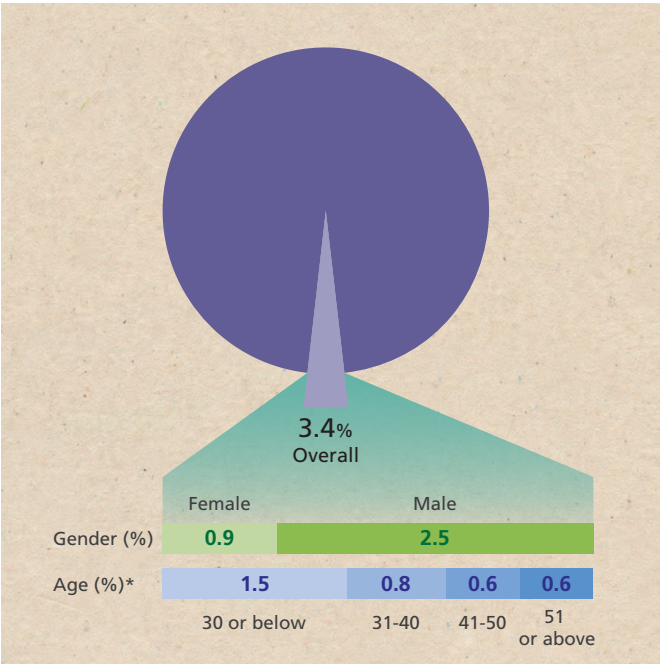
### Supply Chain Management

- A truly socially-responsible company must set a high standard of CSR performance, not only within its own organisation but among its partners in the supply chain.
- HK Electric works with a wide range of suppliers. Influencing suppliers with a lower awareness of CSR or limited resources is a challenge.

## Enhance Employee Relations

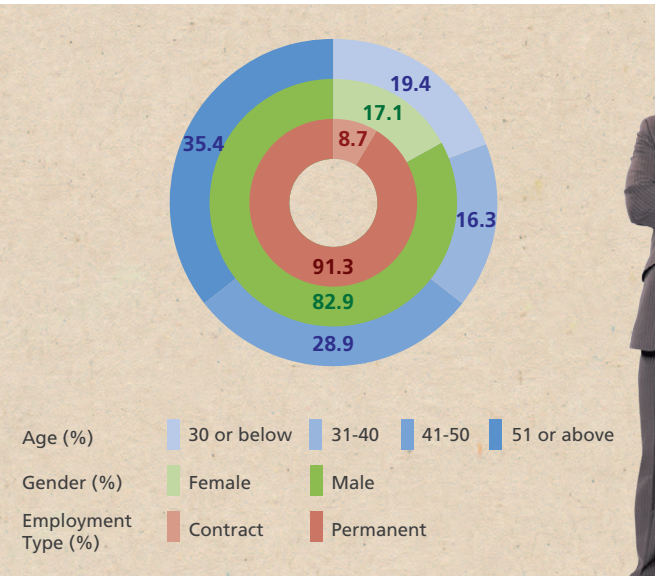
At HK Electric, we recognise the importance of grooming our people and ensuring their well-being. For this reason, we devote substantial resources to training and developing our employees and solicit their feedback on critical issues through a variety of channels. We treat our people fairly and reward them appropriately, which has made us an employer of choice in Hong Kong as reflected in our low voluntary turnover rate (3.4% in 2016 excluding retirement).

### Turnover Rate



\* Figures do not add up to the total due to rounding.

### Employee Profile



## A Fair and Equitable Workplace

HK Electric is an equal opportunity employer committed to fair and equal treatment in all areas of human resources management, from recruitment and training to promotion, compensation, benefits and termination. We do not tolerate discrimination, harassment, vilification or victimisation of employees under any circumstances.

We provide a fair and competitive remuneration package and review it on an annual basis by referring to related industries and comparable organisations in the market. In 2016, we continued with our Pay-for-Performance policy of appraising and rewarding employees for their contribution, performance and capabilities.

During the year, we received the Good MPF Employer Award 2015/16 by the Mandatory Provident Fund Schemes Authority. This award acknowledges employers' compliance with MPF regulations and encourages them to provide better retirement benefits. We also conducted regular financial seminars to help our employees make informed investment decisions and manage their MPF accounts.

In 2016, HK Electric was listed as one of Hong Kong's most attractive employers and ranked seventh by a renowned international consulting firm. In addition, we received the Employer of Choice Award and the Employee Engagement Award from JobMarket, Sing Tao News Corporation Ltd.



## Listening to our Employees

We listen to and respect the opinions of our employees. Through the Joint Consultation (JC) Committee established over 40 years ago, all employees in the company have a channel to communicate with the management.

HK Electric currently has six JC Panels for different groups of employees, each with directly elected representatives. The Panels facilitate two-way communication in which employees are encouraged to propose ideas for improving employee wellness and company operations. During the year, a total of 20 JC meetings were held, and all 75 JC representatives were newly elected for a term of two years.

In addition, we conducted an Employee Well-being Survey aimed at understanding employees' views on work-life balance and employee engagement. Subsequent to the survey, we organised 29 focus group meetings to gain an in-depth understanding of what they think. Two communication sessions were hosted by our Managing Director to keep employees abreast of company developments, as well as upcoming challenges and business strategies.

A new channel introduced in 2016, IDEAS Click, was launched on our intranet portal for employees to share creative ideas in areas such as productivity enhancement, use of resources and employee well-being.

We also launched a multi-generation communication series for employees of different age groups. Workshops were organised for 256 managerial and supervisory staff as well as 120 trainees and young engineers to enable them to partner closely with one another.

Through these communication channels, we received constructive suggestions for making HK Electric an ideal place to work.



We participate in job fairs to attract more young talent to join the company.

## Nurture Talent

At HK Electric, developing a harmonious and engaged workforce is an important part of our mission. In our hiring practices, we look for both experienced candidates as well as young people entering the workforce for the first time. During their employment with us, we pay special attention to their integration into the company by assigning a peer buddy to look after them in their first three months of service. We also help new employees with their professional and personal development needs through the learning programmes and the career progression opportunities we provide.

### Recruiting the Right People

During the year, we continued to offer comprehensive development programmes designed to attract more young people into the power industry, while reaching out to the community through recruitment drives.

To promote the company and our trainee programmes, we participated in career fairs organised jointly with universities, the media, and the Government's Electrical and Mechanical Services Department.

As our Graduate Trainee Programme is a major source of talent for HK Electric, in 2016 we held recruitment talks at local universities and hired a total of 15 Graduate Trainees.

The Trainee Technician Programme in our Transmission and Distribution Division was accredited by the Hong Kong Institution of Engineers (HKIE) as meeting the requirements of the Formal Training Scheme to Associate Membership of Electrical Engineering. Consequently, we expect HK Electric will become an even more attractive employer for potential candidates from educational institutions. HK Electric, according to the HKIE, is the first company in the electrical discipline to receive this accreditation in Hong Kong.

In addition, we explored other initiatives to attract and train young people for the power industry. After signing a Memorandum of Understanding with The Hong Kong Polytechnic University, we began co-teaching High Voltage Engineering for master degree students of the university. Students of the higher diploma programme in engineering disciplines and bachelor degree programmes in IT-related disciplines also had the opportunity to gain hands-on experience in the industry through our work-based learning programmes. Secondary school students interested in an engineering career were offered internships.

Knowledge for Success

In 2016, we set up a cross-functional working group to align and enhance our knowledge management practices. This group is responsible for codifying our core knowledge, identifying critical knowledge owners and mapping out plans to develop knowledge successors.

We also continued to provide professional training and facilitate knowledge transfer through the HK Electric Institute. In 2016, we undertook a comprehensive review of our syllabus and offered new courses on in-depth technical knowledge. During the year, the Institute provided a total of 46 modules, conducted by our specialists and overseas experts, to 1,764 participants.

To ensure better succession planning, we prepared a leadership competency development framework outlining our leadership requirements and established a roadmap for developing leaders. Future leaders with high potential underwent job rotations, received coaching and mentorships while acquiring leadership and management skills.

During the year, the eight participants of the 2015 Leadership Development Programme continued to make good progress, and nine others completed the Rotational Development Programme. Five new learning modules were also rolled out under the Effective Leadership Series, with a total of 148 participants joining the Series.

We also made encouraging progress with our Graduate Trainee and Trainee Technician Programmes during the year. A total of 37 young graduates participated in a variety of learning and development programmes, including technical training, team building, site visits and training in personal effectiveness and other soft skills.





Our senior management shares experience with Graduate Trainees.

What’s more, we held workshops based on “The 7 Habits of Highly Effective People” to furnish our Graduate Trainees with leadership skills. To connect the Trainees and our senior management, we launched “Trainee Buddy”, a mentorship programme, and “Meeting of the Minds”, as support mechanisms.






We were proud to see one of our Graduate Trainees selected by the HKIE to join the President Protégé Scheme and one Trainee Technician win a meritorious award in the 2015 Outstanding Apprentices Award organised by the Vocational Training Council.

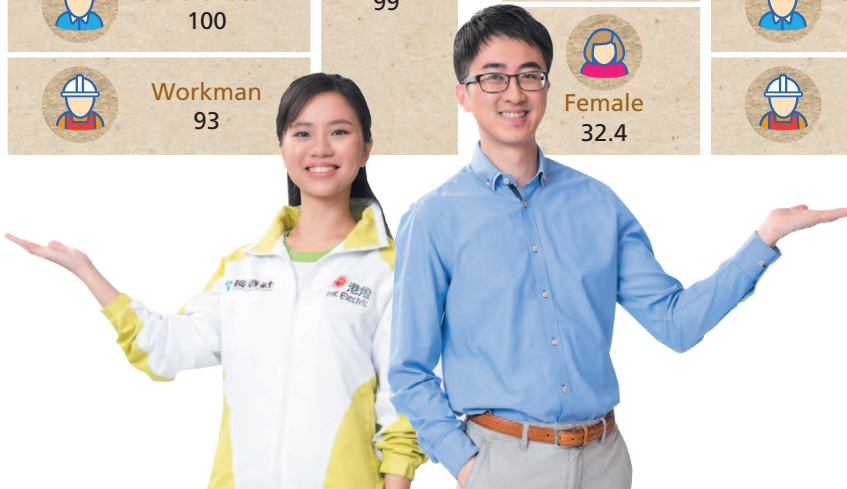
Other training programmes in 2016 included the Value-Adding Series, which enables employees to select training on a self-enrolment basis for enhancement of personal effectiveness. We also developed an online self-learning platform, Sharpen the Saw Corner, to help employees make the best use of online learning resources.

Percentage of Employees Trained

Gender (%)	Employee Category (%)	Overall (%)
 Male 100	 Senior Staff 100	99
	 General Staff 100	
 Female 97	 Workman 93	

Average Training Hours per Employee

Gender (Hours)	Employee Category (Hours)	Overall (Hours)
 Male 45.3	 Senior Staff 57.6	43.1
	 General Staff 45.8	
 Female 32.4	 Workman 18.6	



## Foster Employee Well-being

We make a concerted effort to provide a healthy, stimulating and fulfilling environment for our employees as we believe this will contribute to a happier and more productive workforce.

Through our Employee Wellness Programme, we offer a wide range of work-life balance activities for the physical, emotional, intellectual and social well-being of our employees. These activities include physical exercises, interest groups, eco-tours, fruit distribution and volunteer opportunities. We also introduced a new Employee Recreational Subsidy in 2016 that supports employees in organising group recreational activities.

As part of our continuous efforts to promote employee health and well-being, we launched a Health and Happiness programme featuring seminars, health talks and fitness courses. Four health talks on strengthening quadriceps, maintaining a healthy heart, light exercises and Brain Gym® were conducted during the year for more than 440 participants.

On a regular basis, we arrange flu vaccinations and medical check-ups for employees and offer medical plans at preferential rates for their families. We also provide health and fitness tips on our intranet portal as well as recreational facilities and, during the year, expanded our lactation room facility for the breastfeeding mothers among our employees.

As in past years, we continued to make educational subsidies available to all employees' children, as well as scholarships recognising those with outstanding achievements in school, art and sports.



Employees with different talents are invited to conduct interest classes for other colleagues.

In 2016, we provided a 24-hour Employee Counselling Hotline Service manned by professional counsellors and formed a Good Neighbour Club with employees trained in counselling. We supported these employee volunteers by setting up an online sharing platform and arranging workshops so they could become more effective in helping colleagues deal with stress and emotional issues.

To promote physical and mental well-being in the workplace, we signed the Joyful@Healthy Workplace Charter and joined the Joyful@Healthy Workplace programme organised by the Department of Health and the Occupational Safety and Health Council (OSHC).

Our efforts in employee health and wellness were recognised, when we were named a Happy Company by the Promoting Happiness Index Foundation and the Hong Kong Productivity Council. We also received three awards in the 2015/16 Family-Friendly Employers Award Scheme organised by the Home Affairs Bureau and the Family Council, including Family-Friendly Employer, Special Mention and Award for Breastfeeding Support.



We launch the "Let's Exercise" Campaign to encourage our employees to exercise more.

# Provide a Safe and Healthy Workplace

We recognise that we must take a proactive, preventive approach when it comes to the health and safety of our employees and contractors. This approach is applied across all our business units and their partners.

## Pursuing Continuous Improvement

We carry out regular inspections and audits in addition to offering training courses and other programmes. This enables us to enhance the integrity of our assets, working procedures and practices, as well as the health and safety performance of our employees and contractors.

In 2016, we conducted a thorough review of our Health and Safety Policy on top of regular reviews of our Safety Rules and Safety Code of Practices governing working practices on or near our electrical and mechanical equipment. These are amended according to changes in legislation, the power system and working environment. Amendments also reflect the latest revisions to the Government’s Electricity Supply Code. We also improved safety instructions on the use of personal protective equipment.

Our policy is that all accidents in the workplace must be reported by employees and contractors, and followed up to prevent recurrence. As a way of encouraging employees to report near-miss incidents, we have developed a mobile app for use on their smartphones.

To eliminate human errors, we ensure all working personnel are competent in safety procedures and practices. Only employees or contractors registered as



Chemical spill drill at Lamma Power Station.

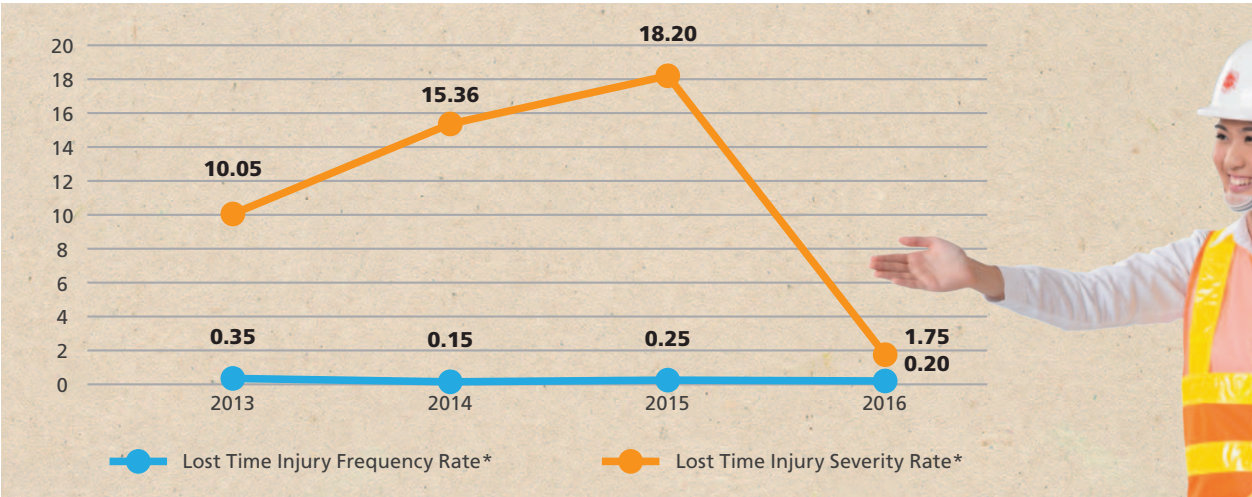
competent or authorised persons are allowed to conduct works requiring specific knowledge and skills.

Our Work Safe Behaviour (WSB) Programme, which has been in effect since 2011, covers a number of work activities with relatively high risk. In 2016, a total of 22 WSB observers were trained and 31 safety observations identified and rectified. In particular, one of the themes adopted was Electrical Work Safety, which aimed to identify unsafe acts and enhance safety management in low voltage electrical work. In addition to these enhancements, we continued to extend the scope of the 5S Good Housekeeping Programme to cover more workshops, equipment rooms and stores in order to help employees avoid accidents and increase efficiency.

As well as implementing and improving safety procedures based on identified risks, we carry out drills to test our response capabilities in contingency situations, such as emergency evacuations, chemical spills, confined space rescues, heat stroke and first aid assistance.

Thanks to the effective implementation of our safety management systems, the overall safety performance in terms of the Lost Time Injury Frequency Rate and Lost Time Injury Severity Rate improved in 2016.

## Safety Performance



\* per 200,000 employee-hours





Our young engineers actively take part in health and safety promotion events.

### Awareness and Knowledge Building

Throughout the year, we ran training and promotion campaigns across the company to enhance health and safety awareness, with the ultimate goal of achieving zero accidents. We also recognised work groups that achieved zero accidents under our Safety Excellence Scheme and organised an incentive scheme to promote safe driving.

Other than these initiatives, we sent out regular information bulletins, put up posters on health and safety, and organised cross-departmental quizzes. In an external safety quiz organised by the OSHC and Labour Department, our employees won the Championship and 1<sup>st</sup> Runner-up in the Cup Final as well as the Championship and 2<sup>nd</sup> Runner-up in the Plate Final.

We also launched a year-long Electrical Work Safety campaign, focusing on safety in our electricity network. Highlights of the campaign included the safe use of battery-operated tools, adoption of portable residue current devices, safe work-above-ground practices and training in the latest requirements of low voltage live work, as well as a safety forum.

In September 2016, we held “Lamma Power Station Health and Safety Week” and invited key contractors to the opening ceremony. Station management and four contractors shared on the theme of “Communication and Communion, the Road to Success”. Another safety awareness programme, “Safety, Health and Environment Day”, was held in November for the contractors of our development projects highlighting the importance of safe construction for the new L10 and L11 generating units.



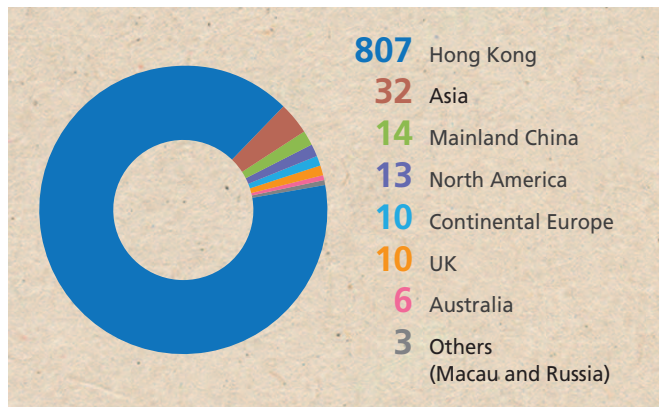
In recognition of our safety performance, we won two Gold awards and one Bronze award in the 15<sup>th</sup> Hong Kong Occupational Safety & Health Award, as well as two Gold awards in the Good Housekeeping Competition 2016-17, and one Gold award and one Bronze award in the Good Housekeeping Competition 2015-16.

For the health of our employees, we have been making improvements to the indoor air quality (IAQ) of our workplaces and received certificates under the Hong Kong Green Organisation Certification Scheme and the Government's IAQ Certification Scheme.

## Manage our Supply Chain

We depend on our suppliers to help us construct, operate and maintain our power facilities, and support our daily routines. Suppliers are expected to follow our Code of Practice in areas such as ethical standards, human and labour rights, health and safety, and environmental protection. They are also encouraged to report their CSR performance and influence their business partners in their supply chain and to have them comply with the Code. In 2016, we engaged a total of 895 suppliers.

### Number of Suppliers by Geographical Region



### Responsible Procurement

Major suppliers, other than fuel and limestone suppliers, are required to follow an established procedure before being accepted on our Recognised Tenderers Register (RTR). Each tender or quotation they submit must be processed according to established commercial procedures. We also periodically review the suppliers on our RTR and request them to submit a summary of their CSR performance. In 2016, we evaluated a total of 57 suppliers. The engagement of fuel and limestone suppliers, who represented about 1.6% of all our major suppliers in 2016, was handled on a case-by-case basis with due regard to their CSR performance.

Our Green Purchasing Guidelines were also reviewed and revised in 2016 making reference to the latest market and government practices. Updates were made in categories such as building and construction supplies, electrical and gas appliances, and light fittings.

As a signatory of the Charter on Preferential Appointment of OSH Star Enterprise organised by the OSHC, we pledge to engage OSH Star Enterprises with priority because of their implementation of effective safety management systems in Repair, Maintenance, Alternation and Addition works.

### Influencing Suppliers

We regularly engage our business partners for assessing their competence and CSR performance and for sharing our CSR practices.

In 2016, we visited the terminal of an ultra-low sulphur diesel supplier at Tsing Yi in March to discuss the quantity measurement and quality assurance of their oil products, business continuity plan and CSR issues.

In April, we invited one of our coal suppliers in Indonesia to share their views on the coal market, their quality control and production plans, as well as their CSR activities. This supplier also discussed their innovative real-time coal scan methodology for improved quality control.

In September, we visited a coal supplier in Russia to inspect their coal mine and associated port facilities. Our on-site assessment found that the operation of the coal mine and port, as well as the mine's CSR performance, were satisfactory.

During the year, we were pleased to see that our contractors' CSR performance in general, and their environmental, health and safety standards in particular, were all up to a high standard. One of our construction contractors received a Bronze award in the Considerate Contractor Site Awards and a Merit award in the Outstanding Environmental Management & Performance Awards for our "Supplies Building Renovation in Lamma Power Station" project. The Judging Panel was especially impressed by the innovative safety measures adopted on site, as well as this contractor's health and community programme.

An E&M contractor and one of our concrete suppliers also received the Safety Performance Award in the 15<sup>th</sup> Hong Kong Occupational Safety & Health Award.

For further details on how we raise awareness of health and safety among our contractors, please refer to the previous section, "Provide a Safe and Healthy Workplace".



Visit to a supplier's coal mine to learn more about its operations and CSR performance.

## Case Story

## Working out at Work



**Win-win:** living the low-carbon way can help keep fit.

In 2016, HK Electric launched a year-long campaign under the theme of “Health and Happiness”, featuring health talks, physical fitness training and recreational activities.

We organised this campaign as the World Health Organisation states that promoting health in the workplace not only helps improve employee loyalty and productivity but, more importantly, reduces stress and enhances personal well-being.

One of the highlights of the campaign was StairWELL, which was launched following its successful trial on World Environment Day 2016. Designed to improve the physical fitness of our people, StairWELL encourages them to walk up the stairs of HK Electric’s buildings, with rewards provided after achieving a certain level.

For this campaign, HK Electric invited Dr. Lobo Louie of Hong Kong Baptist University’s Sports Department to provide tips on the correct way of climbing stairs and to share the benefits of this exercise. “A study in the UK said that if one walked 100 steps a day, 7 days a week for 2 to 3 months a year, the risk of death can fall by 20%,” he said.

Managing Director, Mr. Wan Chi-tin, is himself one of the most enthusiastic stair-walkers at HK Electric. He said, “Hongkong Electric Centre has 12 floors with 288 steps. I walk up the stairs almost every day.” He even challenged colleagues to beat his record of walking from the ground floor to the 12<sup>th</sup> floor in three minutes.

Mr. Wan also sees the environmental benefit to StairWELL. As he points out, stair-walking is not only good for health but can save electricity that would otherwise be used to power the lifts in HK Electric’s buildings.

Other than stair climbing, HK Electric promotes the benefits of exercise by organising workouts at the start of every day. At the launch of this “Let’s Exercise” Campaign, a former HK Electric football team member who is currently the Technical Director of the ChelseaFC Soccer School (HK) – Mr. Leslie Santos – spoke about the benefits of exercise. He recalled that after an injury in 1995, sports helped him develop strong muscles and a stronger mindset. He recommended that HK Electric employees exercise more, including stretching exercises, to keep fit and relax.

To promote work-life balance, HK Electric has also introduced a recreational subsidy that encourages employees to organise healthy leisure activities among colleagues – something that has the added benefit of team-building. Anyone interested in taking part can apply for a \$100 annual subsidy that can be used for recreational activities.

