



Working with Partners

Relating to our Employees

Nurturing Talent

Caring for our Employees

Health and Safety at Work

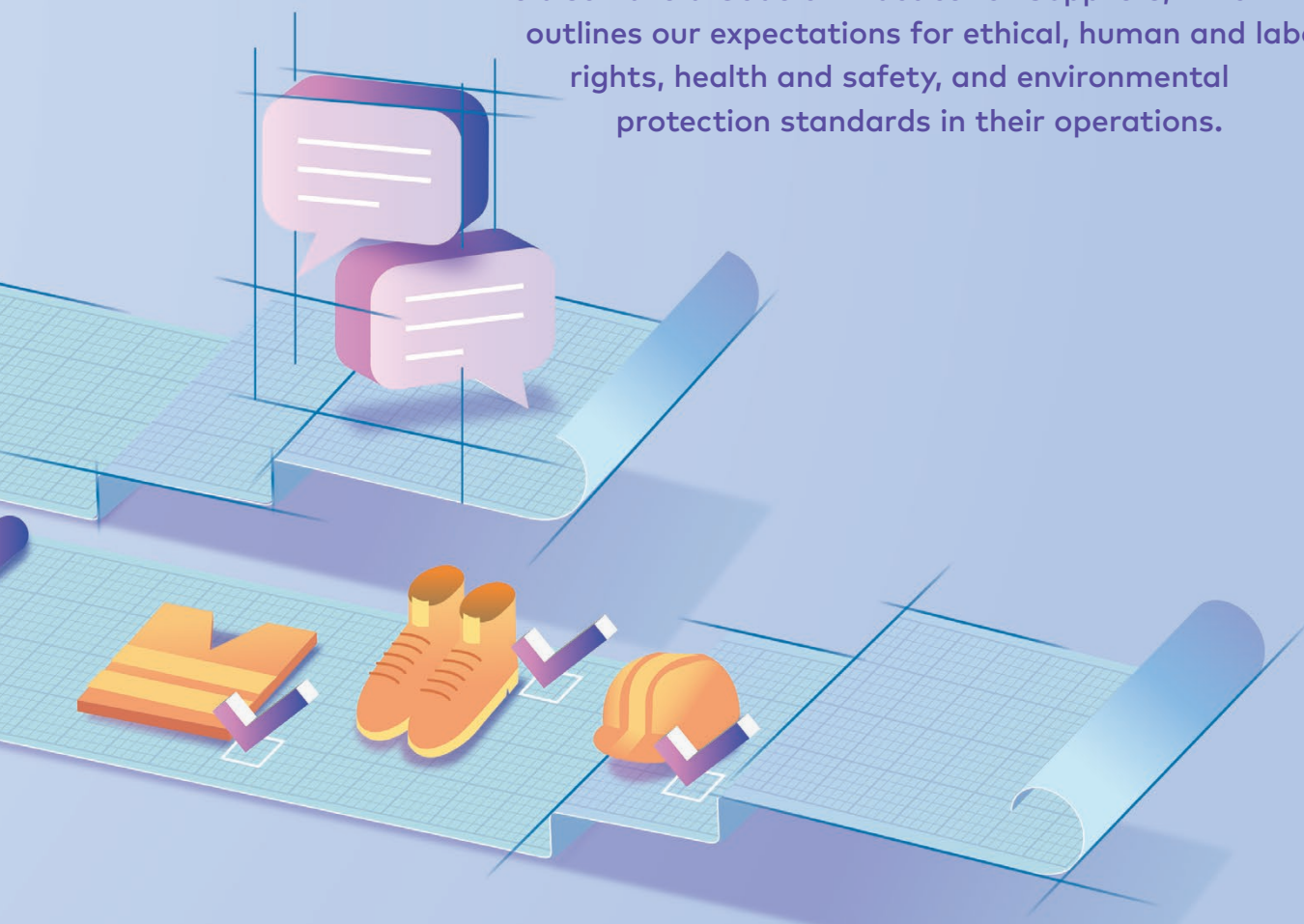
Managing our Supply Chain

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 core values, particularly with regard to health and safety at work.

Our human resources strategy "SHINE" – Synergy, Holistic development, Ideal workplace, Nurture future leaders and Excellence – is overseen by our Human Resources Steering Committee chaired by the Managing Director. We pride ourselves on being an employer of choice that enables our people to fully develop their personal and professional potential.

Workplace health and safety considerations take a high priority in all of our business decisions. Underlined in our Health and Safety Policy, and overseen by our Health and Safety Board, also chaired by the Managing Director, our primary objective is to achieve an accident-free operation. Our safety management systems are in line with the OHSAS 18001 standard, and we strive to make continuous improvements in our safety performance.

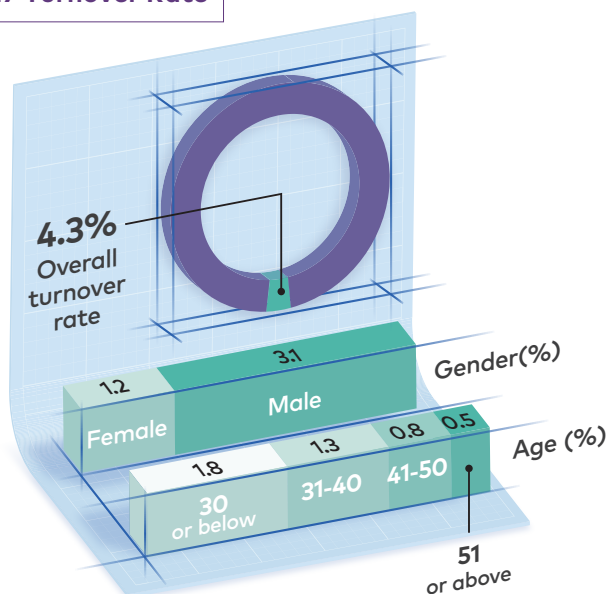
We also have a Code of Practice for Suppliers, which outlines our expectations for ethical, human and labour rights, health and safety, and environmental protection standards in their operations.



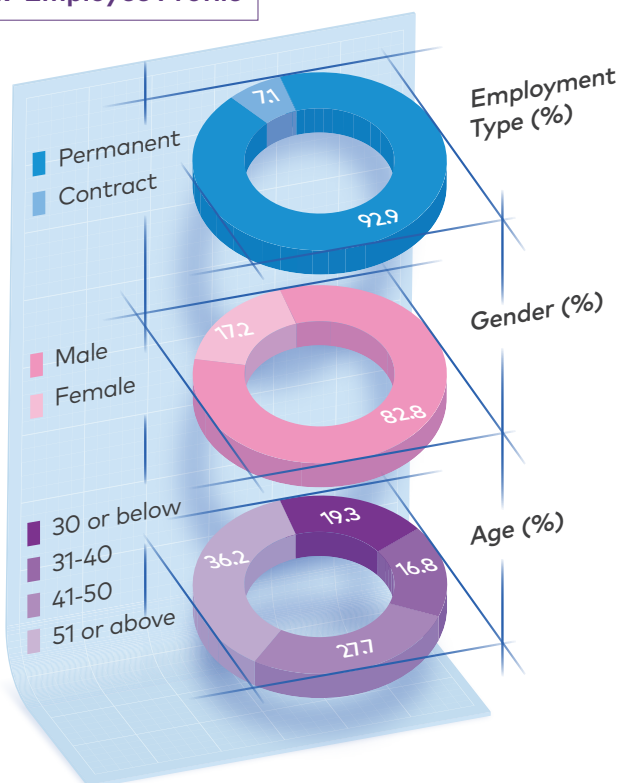
Relating to our Employees

We are proud to be an employer of choice that treats our people fairly and rewards them appropriately. This is reflected in our low voluntary turnover rate, which was 4.3% in 2017, and the recognition that we consistently receive from various external award organisations. We also devote substantial resources to training and developing our employees and to engaging them through a variety of channels to make sure their voices are heard.

2017 Turnover Rate



2017 Employee Profile



Fair and Equal Treatment

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

We foster a diverse workforce made up of individuals with a wide range of characteristics and experiences. In 2017, a series of training programmes and seminars on equal opportunity, appreciation of diverse cultures, communication and collaborative teamwork were organised for a total of 1,013 participants.

In 2017, 64 new hires were partnered with experienced colleagues through our E-buddy programme to help them assimilate quickly and easily into our corporate culture. The turnover of new employees reduced by 50% compared with that in 2015 before the launch of this programme.



E-buddies receive training to support new hires settle into their new roles.

We appraise and reward our employees for their contributions and capabilities in accordance with our Pay-for-Performance policy. To ensure that our remuneration packages are fair and competitive, we review them on an annual basis with reference to the market trend of related industries.

We received the Good MPF Employer Award 2016/17, e-Contribution Award and Support for MPF Management Award from the Mandatory Provident Fund Schemes Authority, in recognition of our efforts to provide better retirement benefits for employees. To support our colleagues to make informed decisions on fund investment, we host regular investment seminars for them.

Case Story

Promoting Awareness about Anti-Discrimination

HK Electric organises training with the help of the Hong Kong Equal Opportunities Commission to enhance our employees' awareness of anti-discrimination legislation and practices.

In 2017, apart from arranging 180 employees to attend a seminar on equal opportunity, we organised three intensive training workshops for 120 managers and supervisors on building a fair and equal workplace.



Dialogue and Consultation

We are committed to hearing and respecting the opinions of our employees. For over 40 years, our Joint Consultation (JC) Committee has facilitated open communication between employees and management. The Committee has six JC panels with 75 directly elected representatives from various employee groups. In 2017, a total of 20 JC meetings were held to discuss a wide range of topics related to business operations and employee welfare.

With effect from 17 June 2017, we implemented a 5-day work-week for employees who are not on shift-duty. The change was made in consultation with employees to improve work-life balance without compromising other business objectives.

Our senior management team also engages directly with colleagues at all levels to communicate our business objectives and foster productive working relationships. The Managing Director and members of the senior management team hosted three communication events in 2017 to facilitate company-wide exchange of views about recent and future developments affecting our business, including the newly signed SCA taking effect from 2019.

We also stage other established forums for employee engagement, such as regular Health, Safety, Environment and Quality Meetings with front-line staff and quarterly on-site focus group meetings with colleagues at various work locations.



Lunch gathering with employee representatives of our Joint Consultation Committee.



Communication session with employees on the new SCA.

Nurturing Talent

Our dedicated and professional workforce provides expertise to meet our needs in all core areas of our operations rather than heavily relying on external contractors. In our hiring practices, we look for both experienced candidates as well as aspiring young graduates entering the workforce for the first time. By supporting our employees to achieve their goals for professional and personal development, we aim to nurture top talent that will meet our succession needs and sustain the future of our business.

Graduate Recruitment

To attract more young people into the power industry, we promote our trainee programmes for graduates through career fairs organised jointly with universities, the media, and the Electrical and Mechanical Services Department. Our Graduate Trainee Programme, which is accredited by the Hong Kong Institution of Engineers, is a major source of new talent. In 2017, we hired 11 Graduate Trainees from various academic disciplines.



HK Electric participates in career fairs to attract new talent.

Learning and Development

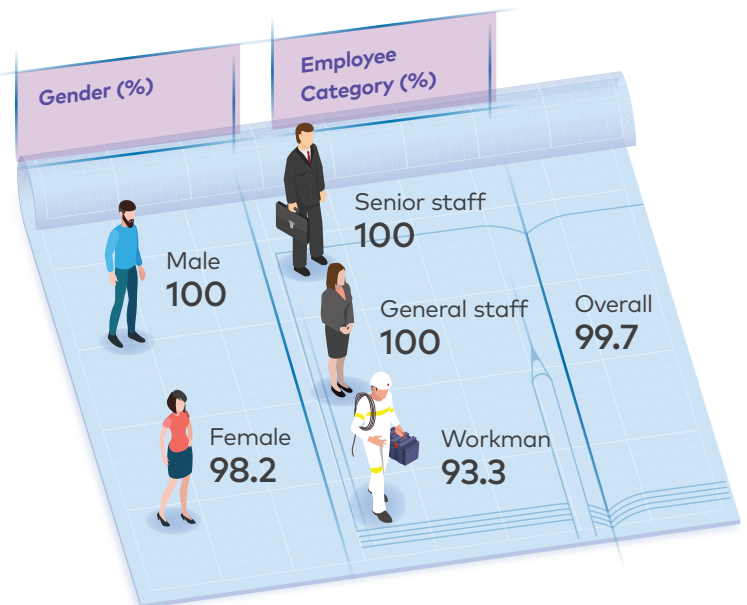
We organise learning and development programmes for our employees in accordance with our well-defined leadership competency framework and talent development roadmap. We recently tasked a cross-functional study group to develop a master plan to strengthen learning, talent management and knowledge management practices, across our business units.

In 2017, we gave targeted development opportunities to employees who demonstrated strong potential for leadership, including group projects, job rotations, coaching and mentorship as well as classroom learning on leadership and management skills. Nine mid-level colleagues were selected to embark on a 2-year Leadership

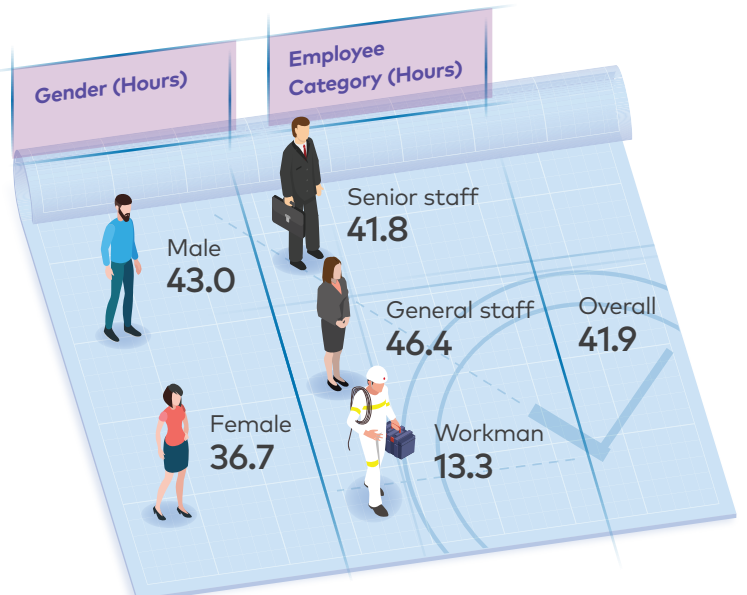
Development Programme and three employees completed their job-role assignment schemes under our Rotational Development Programme. Eight young engineers and professionals joined our newly launched Professional Development Programme.

We encourage our employees to invest in their own professional development by sponsoring them to enroll in external courses. Since 2011, our Education Sponsorship Programme has supported more than 40 employees to pursue undergraduate studies in subjects that are relevant to their work. We have recently expanded the programme to include sponsorships for Master of Business Administration studies.

Percentage of Employees Trained in 2017



Average Training Hours per Employee in 2017



The HK Electric Institute has been providing training and education in power engineering since 2014. We collaborate with universities, training institutes, professional bodies and industrial experts to leverage on the experience and knowledge of guest lecturers alongside those of our current and retired veterans.



Training to improve business English is very popular among our colleagues.

In 2017, the Institute offered a total of 22 modules and provided 2,249 training hours to 499 participants. The courses covered a range of topics, such as system operations, power plant technologies and electricity legislation.

Our Value-Adding Series allows employees to select training based on their interests and needs. In 2017, we launched a new series of training on English-language skills. Around 400 participants attended the kick-off seminar, and 87 employees attended workshops on practical writing techniques. Our English Promotion Campaign encourages employees to make use of online English-learning platforms, and prizes could be won to encourage those who participate in the learning games.

In recognition of our outstanding achievements in manpower training and development, HK Electric was named Manpower Developer (2016–18) by the Employees Retraining Board.

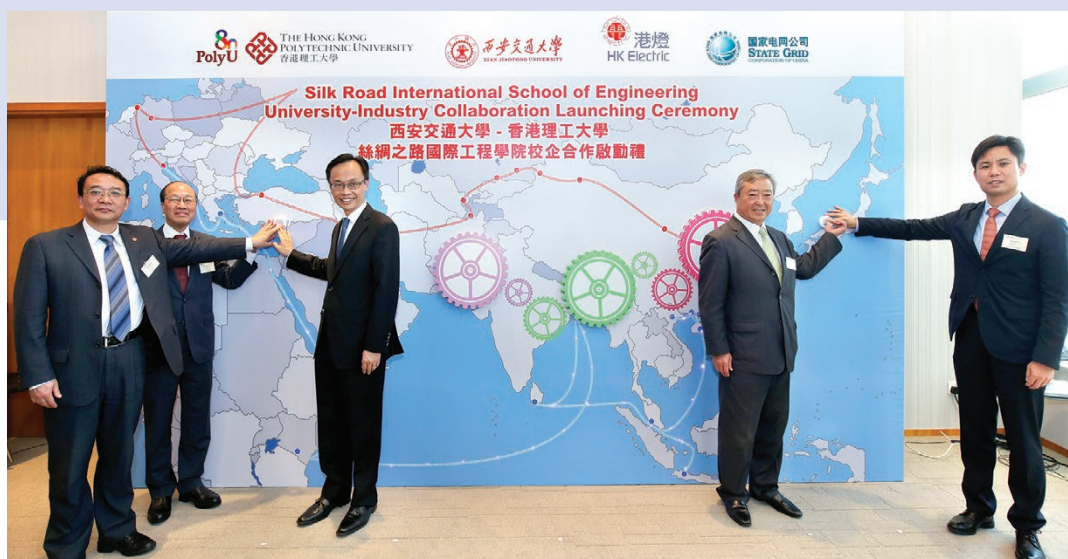
Case Story

Nurturing Talent in Support of the Belt and Road Initiative

In 2017, HK Electric and State Grid Corporation of China announced their support for the Silk Road International School of Engineering (SRISE) for a new project that will nurture high-level talent in the power and energy sectors across the Belt and Road region. Starting from April 2018, we will help conduct training workshops for senior executives and

researchers from power utilities, government departments and higher education institutions involved in electricity and energy operations in Belt and Road countries.

Hosted jointly by The Hong Kong Polytechnic University and Xi'an Jiaotong University, SRISE is a new institution to address the developmental needs of the Belt and Road region by facilitating knowledge transfer, supporting high-quality scientific research and helping establish appropriate professional accreditation frameworks.



Caring for our Employees

HK Electric has signed the Joyful@Healthy Workplace Charter and joined the Joyful@Healthy Workplace programme organised by the Department of Health and the Occupational Safety & Health Council.

In 2017, we received an Excellence Award in the Enterprise/ Organisation Category of the Joyful@Healthy Workplace Best Practices Award competition. We were also named a Happy Company by the Promoting Happiness Index Foundation and the Hong Kong Productivity Council.

Happiness and Support

Through our Employee Wellness Programme, we offer a wide range of activities to promote the physical, emotional, intellectual and social well-being of our employees, including physical exercise, interest groups, eco-tours and volunteering opportunities.

To facilitate healthy recreation in their own time, our employees enjoy access to a variety of facilities provided by the company, such as gym rooms, sports facilities and holiday houses, as well as group activities with support from our Employee Recreational Subsidy Scheme.

Our 2017 Health and Happiness Programme featured seminars, health talks and fitness courses. During the year, 166 colleagues attended seven health talks on jogging, sports injuries, sports medicine and smoke-free lifestyle.

We strive to support our employees to lead healthy and happy family lives. We offer medical check-up plans at preferential rates for family members and provide lactation rooms in our workplaces for breastfeeding mothers. In addition to making an education subsidy available to



Employees learn magic from a colleague at a special interest class.

employees' children, we offer a range of scholarships for children who demonstrate outstanding performance in school, arts or sports. In 2017, we organised two outings for 120 employees and family members.

We help our employees manage stress and emotional issues. To provide them with support, we offer a 24-hour hotline service manned by professional counsellors. We have also formed the Good Neighbours' Club, with an online sharing platform, for employee-volunteers who are available to provide psychosocial support for colleagues in need. In 2017, three workshops were organised for the Good Neighbours to learn counselling skills and enhance knowledge in psychosocial care.



Colleagues enjoy nature during an outing organised by the company.

Workplace Hygiene and Indoor Air Quality

HK Electric has signed the Workplace Hygiene Charter jointly organised by the Occupational Safety & Health Council, Labour Department and Radio Television Hong Kong. The purpose of the Charter is to foster hygienic workplaces throughout Hong Kong and a strong culture of health and safety.

In addition to conducting regular hygiene and safety inspections on our office premises, we strive to ensure a healthy working environment for our employees by improving indoor air quality (IAQ). In 2017, we received certificates to acknowledge and commend our initiatives under the Hong Kong Green Organisation Certification Scheme and the Government's IAQ Certification Scheme.

Health and Safety at Work

We take a proactive approach to promoting the health and safety of our employees and contractors. Due to the effectiveness of our safety management systems, in 2017 we continued to achieve our overall safety performance targets for continuous improvement, including reduction in Lost Time Injury Frequency Rate and Lost Time Injury Severity Rate compared to the average of the previous three years.

At the 16th Hong Kong Occupational Safety & Health Award competition, HK Electric was granted five Gold, one Silver and two Bronze Awards as well as a Safety Performance Award, in recognition of our safety performance and efforts to promote health and safety.

Safety Management

To enhance the integrity of our equipment and work practices, we carry out improvement programmes and safety audits and provide training for our employees and contractors. We also conduct drills to test our response capabilities in contingency situations, such as emergency evacuations, chemical spills and first-aid assistance.

In our workplaces, only workers registered as competent persons are allowed to perform tasks requiring specific knowledge and skills. In 2017, we reviewed and enhanced the Maintenance Authorisation System at Lamma Power Station to ensure that all personnel working on the site have a high degree of competence and knowledge of relevant safety procedures.

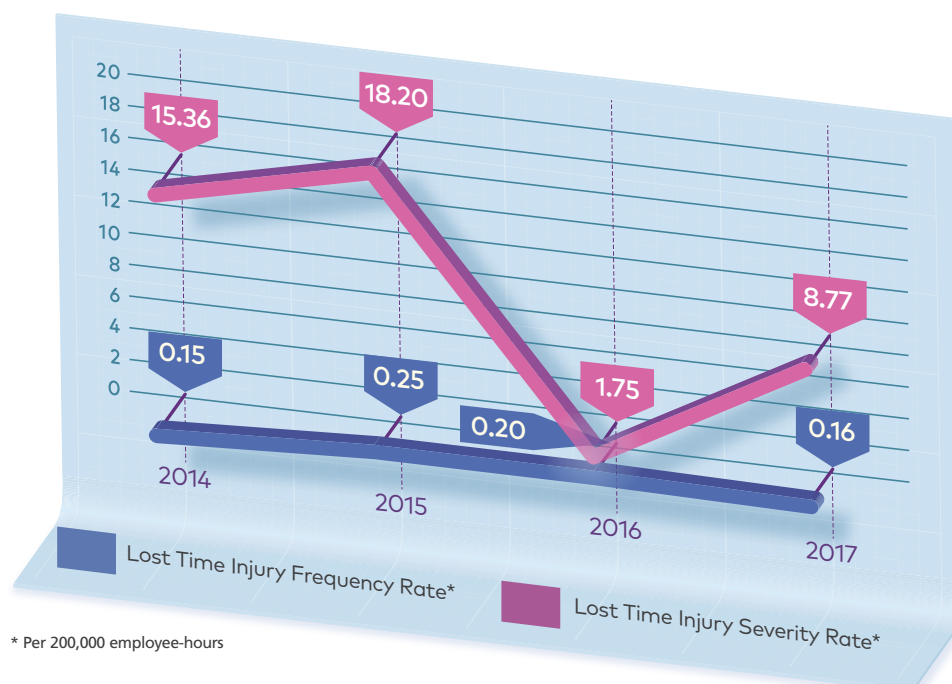


Chemical spill drill at Lamma Power Station.

Unsafe work-above-ground is one of the major causes of serious accidents for construction workers in Hong Kong. During the year, we formalised new corporate safety guidelines for implementation in 2018 to address this issue and provided appropriate training for relevant employees.

We require our employees to report all accidents so that we can identify and implement corrective actions to prevent recurrence. We also encourage them to report near-miss incidents in order to prevent potential hazards from developing into occupational injuries. In January 2018, we launched an incentive scheme for reporting near-miss incidents.

Safety Performance



Our Work Safe Behaviour (WSB) Programme has been in effect since 2011 and aims to eliminate on-site risky behaviour from a range of work activities. In 2017, we trained 18 additional employees to join our team of WSB observers who identified 36 work behaviours that needed to be reviewed.

To help avoid accidents and improve efficiency, we have expanded the scope of our 5S Good Housekeeping Programme, and introduced several new technologies. To reduce workers' exposure to time-consuming and high-risk tasks, we now deploy unmanned aerial vehicles to inspect high-level plant equipment and have installed thermal imaging cameras to monitor our Gas Receiving Station. We have also acquired a new "binwhip" tool to eliminate the need for manual cleaning of the confined space inside our limestone silos.

Safety Culture

We cultivate health and safety awareness through training and promotional campaigns that run throughout the year to engage all employees and contractors to achieve our ultimate goal of zero accidents.

Our annual Health and Safety Week was held in August 2017 at Lamma Power Station at which employees and contractors attended sharing sessions and speeches on the theme of "Safety in Our Hands". In December, we held another safety promotion event for contractors working

on our development projects entitled "Safety, Health and Environment Day" (SHE Day). We also launched a new campaign entitled SHE Driving to promote transport safety and eco-driving among employees and contractors.

Teams from HK Electric performed well in Safety Quiz 2017 organised by the Occupational Safety & Health Council and Labour Department, winning in the Corporate Category the Championship, First Runner-up and Second Runner-up titles in the Cup Final, as well as the Championship and First Runner-up titles in the Plate Final. A team from HK Electric subsequently represented Hong Kong in the ninth Regional Safety Quiz, competing against teams from Guangdong and Macau, and finally came second in the Enterprise Category.



A team from HK Electric is the First Runner-up at the ninth Regional Safety Quiz among Guangdong, Hong Kong and Macau.

Case Story

Strong Partnerships are Integral to our Safety Culture



We work together with our business partners to ensure the safety of every worker, including contractors and employees alike.

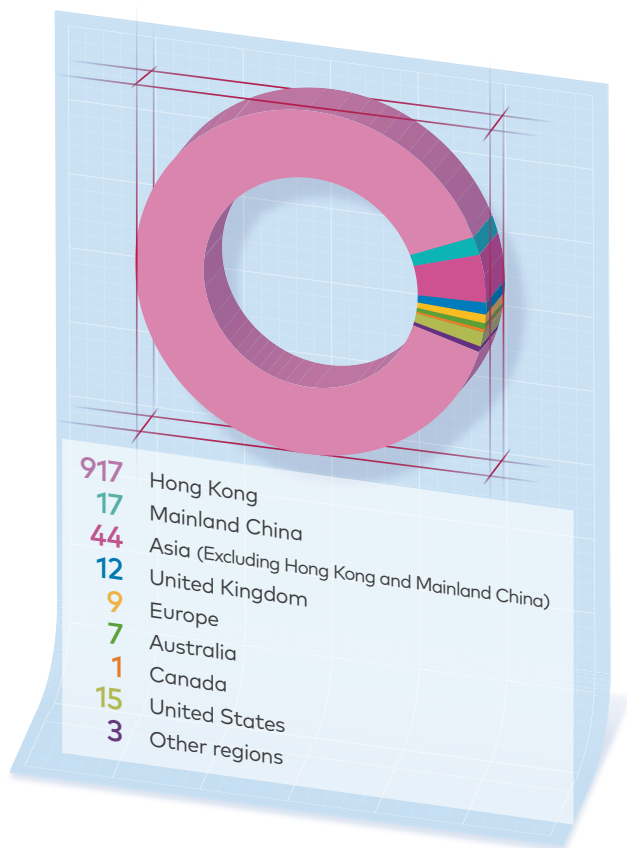
In response to an alarming increase in the number of workplace accidents affecting the engineering and construction industries in Hong Kong during the first half of 2017, we hosted a Safety Summit in August to share best practices with representatives of nine of our major business partners for construction, engineering and maintenance activities.

We are proud to acknowledge the achievements of our business partners whose top safety performance has been recognised by the Occupational Safety & Health Council. In 2017, for example, one of our major Electrical & Mechanical contractors received Gold Awards in the Construction Safety Promotional Campaign 2017 for "Best Safety Enhancement Programme for Working at Height" and "Outstanding Metal Scaffolder in Occupational Safety and Health". Our concrete batching contractor at Lamma Power Station also won a Safety Performance Award in the 16th Hong Kong Occupational Safety & Health Award competition.

Managing our Supply Chain

We depend on our suppliers to help us construct, operate and maintain our power facilities, as well as to support our daily operations. All suppliers must abide by our Code of Practice, which requires them to uphold high standards with respect to ethics, human and labour rights, health and safety, and environmental protection. They are also expected to ensure that their own suppliers uphold similarly high standards. In 2017, we engaged a total of 1,025 suppliers.

Number of Suppliers in 2017 by Geographical Region



Responsible Procurement

All of our major suppliers other than fuel and limestone suppliers are required to follow established procedures for assessment and screening before being accepted onto our Recognised Tenderers Register (RTR), and every tender or quotation we receive is processed according to our established commercial procedures. The engagement of fuel and limestone suppliers, who represented about 1.2% of all our suppliers in 2017, is handled on a case-by-case basis with due regard to their CSR performance.

We periodically review the suppliers on our RTR and request them to submit an update on their CSR performance. In 2017, we evaluated the CSR performance of 59 suppliers.

In accordance with our Green Purchasing Policy and Green Purchasing Guidelines, we consider impacts on the environment, apart from quality, price and punctuality of the supplies, when making procurement decisions. All else being equal, we prefer to work with suppliers who practise good environmental protection and promote conservation of resources.

HK Electric is a signatory to the "Charter on Preferential Appointment of OSH Star Enterprise" organised by the Occupational Safety & Health Council. We pledge to give preferential appointment to suppliers with an OSH Star for their implementation of effective safety management systems in RMAA (repair, maintenance, alteration and addition) works.

Influencing our Suppliers

Our suppliers are valued business partners, and we engage them regularly to pursue shared goals for sustainable development.

In 2017, we visited five of our coal suppliers to conduct audits on their operations and inspect coal quality. We took advantage of these visits to reaffirm HK Electric's commitment to good social and environmental performance by sharing information about our sustainability strategies and initiatives.



Site visit to a supplier's coal mine.

In November, our employees and representatives from our major construction contractors participated in a team-building and leadership development event. The 40 participants engaged in challenging and inspiring activities in a stunning natural environment.

We acknowledge the performance of two of our Electrical & Mechanical contractors, who were recognised in the HSBC Living Business Awards 2017 for "Caring for People" and "Green Achievement".