



Running a Sustainable Business

Sharing our Planet

Serving Hong Kong

Working with Partners

Serving Hong Kong

KEEP
CARING



港燈
HK Electric

HK\$25

「關懷有緣」歡食券
"Care and Share"
Dining Coupon



Management Approach

At HK Electric, we strive to enhance the quality of life in our city and are committed to delivering world-class reliability and service excellence. This commitment is reflected in our Quality Policy, Customer Services Policy, Complaints Handling Policy and Corporate Security Policy, which guide us to exceed customer expectations and achieve total customer satisfaction through continuous improvement.

Our Customer Services Steering Committee oversees our service performance against specific and measurable targets, including our pledged Service Standards. We take all complaints seriously and review them carefully through our Stakeholder Satisfaction Steering Committee. Throughout our operations, we implement quality management, asset management and information security management systems certified to ISO standards 9001, 55001 and 27001 respectively. We also have a physical security management system in place for our key facilities and premises.

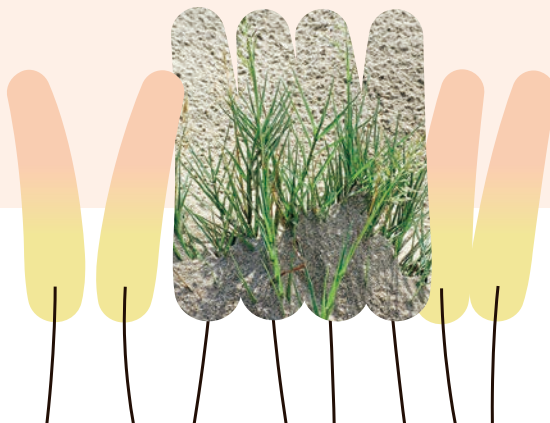
First and foremost, we must fulfil the Government's energy policy objectives of providing safe, reliable and environmentally friendly electricity supply at reasonable cost. Under the current SCA, which is valid through to December 2033, we implement a range of funding and service schemes—known as Smart Power Services—to support EE&C and local RE generation in line with our Environmental Policy while taking special care of people in need.

We take great pride in giving back to Hong Kong in various ways. Our community investment strategy reflects our deeply held belief that lasting contributions are created through partnerships. We engage with community groups to build social capital through a range of programmes focused on environmental education and care for the elderly.

Inspiration from *Nature's Resilience*

Sporobolus virginicus

Often found in coastal areas, this hardy, salt-tolerant species of grass has slim, course blades and creeping rootstalks that grip into sandy soil in order to withstand strong winds.





Reliable and Affordable Power

An efficient and uninterrupted supply of power underpins Hong Kong's status as an international centre for trade and finance, as well as our ongoing transformation into a smart city. During the COVID-19 pandemic, reliable and affordable electricity has facilitated essential medical and communications services to fight the virus. In 2020, we achieved a high supply reliability rating of 99.9999% or above every month.

World-class Power System

We take a comprehensive and proactive approach to ensuring the reliability and robustness of our power system through strategic investments that maintain, upgrade and improve our equipment, technologies, and processes. In addition to various capital enhancement projects that are underway, such as our new gas-fired generating units and offshore LNG terminal, we are continuously upgrading our power supply network and adapting our supply circuits to accommodate the MTR's expanding railway system.

To strengthen our emergency preparedness for supply restoration in the event of major equipment failure at any of our distribution substations, we have recently commissioned a mobile 11-kV switchgear with capacity to provide emergency backfeed supply for affected customers.

During the year, a new round of Network Reliability & Operations Review on the performance of our assets and processes was completed for 17 workgroups, including a new workgroup dedicated to Station Buildings, Cable Tunnels and Operational Premises.

HK Electric's 24-hour System Control Centre monitors and controls power generation, transmission and distribution via our Energy Management System and Distribution Management System. Together with our back-up systems, these management systems play a central role in enabling safe, reliable and efficient electricity supply to our customers, while reducing emissions to minimise our carbon footprint.

In 2020, we partnered with a local university to develop a forecast model using neural network technology and AI for our Intelligent Volt-VAR Regulation Programme. The objective of this study is to achieve better voltage regulation and lower power loss.

Supply Performance in 2020

>99.9999%


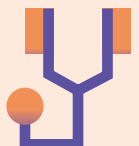
record-high supply reliability rating;
>99.999% for the 24th year in a row
since 1997

<0.5 minute

unplanned customer minutes lost;
<1 minute for 12 consecutive years
since 2009



Proactive Risk-based Asset Management for our Electricity Network

Risk monitoring approaches	Assets: Typical measures	Purposes
 Condition monitoring and advanced diagnostic techniques for network components	Switchgear: Advanced online partial discharge detection system	Early detection of incipient faults to avoid potential component failure
	11-kV distribution cables: Very-low-frequency-monitored withstand test	Early detection of water ingress in cable insulation layer to avoid potential cable faults
	Low-voltage network: Low-voltage fault indicator (currently subject to trial)	Improving efficiency of fault identification and trouble shooting
 Health indices register for network components	Primary and secondary assets (e.g. switchgear, transformers, relays and remote terminal units): Formulation of critical indices	Timely refurbishment or replacement to avoid equipment failure

Physical and Cyber-Security

We have comprehensive management systems in place to protect our facilities, technologies and information assets from physical or cybersecurity threats. Our Physical Security Management System identifies potential vulnerabilities, and contingency plans are in place to ensure supply reliability. In 2020, we continued to implement necessary measures to enhance the physical security of our key operational premises. We also plan to implement a facial recognition access control system at our data centre.

Our in-house team of cybersecurity specialists work with external service providers to implement our cybersecurity management framework, which addresses the technical, regulatory and managerial aspects of cybersecurity. This management framework prioritises the confidentiality, integrity and availability of our critical infrastructure and information assets through a “defence-in-depth” approach. Multiple layers of security technologies have been deployed and integrated with different cybersecurity processes to enable our employees to identify, protect against, detect, respond to and recover from cybersecurity incidents.

We have adopted seven strategies proposed by the Department of Homeland Security of the United States to defend industrial control systems.



To safeguard our information assets against unauthorised access and malicious attacks, we have also implemented Next Generation Firewall and Intrusion Prevention System, Advanced Persistent Threat (APT) Protection Solutions, Mail Gateway, Secure Web Proxy, and Anti-malware Systems.

Our employees play a critical role in preventing and reducing cybersecurity threats. In addition to conducting regular training on data privacy and data protection, we have a dedicated cybersecurity awareness programme. We publish a quarterly publication called “Cybersecurity Corner” to keep employees abreast of up-to-date information. We also seek their feedback to help us achieve continuous improvement in managing these risks.



Alleviating Economic Hardship

2020 has been a challenging year for our city as a result of the COVID-19 pandemic. We are committed to supporting our customers and other members of our community to ride through the current economic downturn by continuing to maintain our tariffs at an affordable level and reaching out with a helping hand to those in need.

From January 2020, HK Electric rolled out a platform of targeted relief measures for SMEs. We waived tariff increases during a six-month grace period benefitting about 70,000 non-residential customers, and provided subsidies for 47 commercial customers, including SMEs, to purchase energy-efficient equipment through our Energy-efficient Equipment Subsidy Programme. Additionally, 180 SME caterers participated in a two-month electricity payment deferral scheme.

HK Electric also launched a "Care and Share" SME Caterers Subsidy Scheme distributing 40,000 sets of dining coupons worth \$20 million and provided a food and beverage subsidy to more than 50 NGO-run community centres through our NGO Catering Subsidy Programme. These initiatives were designed to alleviate hardship among Hong Kong's most needy families while helping generate business for SME caterers.

Entering 2021, we have expanded the scope of our relief measures and energy saving programmes to cover a proportion of customers hit hardest by the pandemic. Together with the distribution of dining coupons again, this new round of relief measures will benefit more than 40,000 underprivileged families and 500 SMEs. For more details, please refer to the press release of 8 February 2021 on our website.

Tariff Freeze for 2021

In November 2020, HK Electric announced a tariff freeze for 2021. There will be an upward adjustment to our Basic Tariff and the Special Rent & Rates Rebate will be discontinued because they have already been fully returned to our customers. Nonetheless, these increases will be fully offset by a reduction in the Fuel Clause Charge. As a result, the Net Tariff for 2021 will be maintained at 126.4 cents per unit of electricity, which is the same level as 2020. This is also considerably lower than the tariff level that was forecasted in our 2019-2023 Development Plan.

Basic Tariff	102.0 → 109.0 ¢/unit
Fuel Clause Charge	24.8 → 17.4 ¢/unit
Special Rent & Rates Rebate	(-0.4) → 0 ¢/unit
Net Tariff	Maintained at 126.4 ¢/unit

Looking to the future, we anticipate that the increase in capital expenditure for a greener, smarter Hong Kong and substantial increase in consumption of natural gas will lead to upward pressure on tariff adjustment. To minimise the tariff impact, we will continue to enhance operational efficiency and productivity while making steady progress towards completion of the new LNG terminal that will help us secure a competitive supply of natural gas.

We will also continue to implement concessionary tariff schemes targeting the most vulnerable members of our society and offer the Super Saver Discount to encourage energy saving.

Serving our Customers

At HK Electric, we strive to meet and exceed our customers' expectations through continuous service improvement.

Excellent Service

In 2020, we met or surpassed all 18 of our pledged Customer Service Standards covering electricity supply, connections, accounts and meters, enquiries and emergency services, among others. We worked hard to overcome all the challenges presented by social-distancing restrictions in order to maintain our excellent record of customer service.

We have continued to expand diversified payment channels and value-added services. In July 2020, we introduced payment via AlipayHK and FPS QR code through our Account-On-Line service, and from October via cashier payment in some 200 Watsons stores. We also increased the payment deferral amount of small outstanding bills from \$150 to \$200.

During the year, we received a number of prestigious customer service awards, as well as 1,994 positive commendations from our customers, which reflects a very high level of customer satisfaction. On the other hand, we received a total of eight complaints from stakeholders of which seven are product or service-related cases from customers. All the complaints were handled in accordance with established procedures.



HK Electric is honoured to receive the "Quality Service Retailer of the Year - Retail (Services) Category" and the "Excellent Service Retailer of the Year" under the Quality Service Benchmarking Assessment organised by Hong Kong Retail Management Association in 2020.



Go Digital with
Account Matters

Building a Smarter City



In April 2020, we began rolling out Advanced Metering Infrastructure (AMI) and smart meters to help transform Hong Kong into a world-class smart city. Once the roll-out is complete, new digital services and tools will enable our customers to understand more about their energy usage in order to optimise their energy use.

AMI will also help improve the efficiency of our operations by saving manpower for manual meter readings and enhancing data accuracy. Encrypted data on energy consumption will be transmitted to our data system safely and automatically via a wireless network.

In 2020, we achieved our deployment target of 40,000 smart meters for the year despite the impact of the pandemic.



Caring for our Customers

Greater convenience



Customer Emergency Services Centre

24-hour emergency telephone call and SMS services



Account-On-Line service

round-the-clock interactive access to electricity account and information regarding planned shutdowns and supply interruptions via our website and app



E-billing / E-payment / Group billing / Bill of Small Outstanding Amount services

green and convenient options for billing and payment



One-stop services for SMEs / Data centres

comprehensive services for business startups and energy management



Customer Relationship Management Programme

ambassador visits to corporate customers with one-stop service on technical and account matters



Virtual Assistant "Elsie"

available on our website to answer general enquiries 24 hours a day, 7 days a week

Supporting special needs



For ethnic minorities

forms and pamphlets in eight minority languages



For the hearing-impaired

videos supported with sign language, SMS enquiry service and teleloop system at service counter



For the visually-impaired

voice-assisted e-bill service and braille bills



For the elderly

"Web for the Elderly" and express counter with magnifying glasses



For the disabled

automatic doors for access to our Customer Centre and dedicated wheelchair-friendly counter

Connecting with our Customers

Our Customer Liaison Group (CLG) is a valuable forum for exchanging ideas with our customers and gauging public opinion on important issues. This group comprises about 40 members, including customer representatives as well as representatives from district and community organisations, and NGOs. During the pandemic, we continued to engage with our CLG members online through video presentations and virtual conferences. Other customer communication channels include service hotlines, after-service surveys, conversation series, quarterly newsletter and annual brochure, as well as suggestion, feedback and commendation forms.

Personal Data Protection

We are committed to respecting and safeguarding customer privacy in compliance with the Personal Data (Privacy) Ordinance and other relevant codes of practice, including our own Privacy Policy Statement and Personal Data Privacy Policy. In 2020, we updated our Personal Data Privacy Policy and strengthened our privacy governance framework by upgrading our Privacy Management Programme.

We organise regular seminars to raise awareness among our employees about personal data protection. In September 2020, we organised a Privacy Awareness Week by conducting virtual training sessions for our employees on our new Privacy Management Programme, updated Personal Data Privacy Policy and other relevant guidelines. We also held a follow-up e-workshop in October on privacy impact assessments for key data projects.

In addition to issuing guidelines for our employees on handling customer data, we have a Data Loss Prevention System in place to prevent unauthorised disclosure of personal data through the Internet, email, portable storage devices and file transfers.

For more information about our cybersecurity efforts, please refer to the previous section on [Physical and Cyber-Security](#) of this chapter.

Smart Power Services

HK Electric fosters EE&C and promotes RE in the community through a suite of funding and service initiatives known as Smart Power Services, which target residential, commercial and industrial customers, as well as education and welfare organisations.

In 2020, we introduced two new subsidy programmes under the Smart Power Care Fund and increased the subsidy rate under the Smart Power Building Fund to 80% for EE&C enhancement of communal areas in buildings owned or operated by NGOs.

During the year, we continued to engage with stakeholders about Smart Power Services through a range of channels, including our dedicated webpages and YouTube channel, mobile app, phone hotline and email enquiry service. To overcome the impact of social-distancing restrictions, we added a new feature to our website in October for stakeholders to experience a virtual walk inside our Smart Power Gallery. Six virtual guided tours were conducted for 299 participants via an online meeting platform introducing climate change, RE and attributes of a smart city.



2020 Highlights

Energy Efficiency

Smart Power Building Fund

subsidies for building owners to enhance energy efficiency of communal building services installations (\$25 million allocated annually)

Smart Power Energy Audit

free energy audits for non-residential customers to help identify energy saving potential at their premises

Smart Power Loan Fund

interest-subsidised loans for eligible customers to help finance energy efficiency enhancement projects

Smart Power EV Charging Solution

one-stop service for customers to implement EV charging solutions

2020 Accomplishments

48 applications approved involving 85 buildings and ~\$13 million subsidies

210 free energy audits conducted

MoUs signed with three major banks to provide loans to fund energy efficiency enhancement projects

>380 inquiries and >200 service requests from customers handled



Renewable Energy

Feed-in Tariff Scheme

purchasing electricity generated by customers' RE power systems at \$3-5 per unit of electricity

RE Certificates

on offer of sale to interested customers at \$0.5 premium per unit of electricity

2020 Accomplishments

72 grid connections made amounting to >1.2 MW capacity

~3.5 GWh green electricity generated and fully subscribed

Green Education

Smart Power Education Fund

promoting EE&C, RE and low-carbon lifestyles to the public, and in particular to Hong Kong's youth, through our Happy Green Campaign and other programmes (\$5 million allocated annually)

2020 Accomplishments

~57,000 participants in various activities (see the chapter on [Sharing our Planet](#) for more information)



Supporting the Needy

Smart Power Care Fund

subsidies for people in need to adopt low-carbon lifestyles, improve living environment and enhance electrical safety through five programmes



[Energy-efficient Community Subsidy Programme](#)

2020 Accomplishments

1,622 underprivileged families benefited from:

- ▶ Energy-efficient Appliances Subsidy Programme
- ▶ SDU Electricity Charges Relief Programme
- ▶ SDU Rewiring Subsidy Programme

4 projects approved under:

- ▶ Energy-efficient Community Subsidy Programme
- ▶ Smart to Care Subsidy Programme

The Future is Electric

To help reduce carbon emissions, improve roadside air quality and support Hong Kong's development into a low-carbon smart city, HK Electric is working hard to promote EVs.



EV Infrastructure

HK Electric has designed and installed 12 EV charging stations on Hong Kong Island to provide free charging to EV users at convenient locations within 15 minutes driving distance.

In 2020, we upgraded our quick charging stations at the Star Ferry in Central and Yue Wan Estate in Chai Wan with multi-standard quick chargers to increase their versatility and to support more EVs.

EV Charging Solutions

Our engineering team helps interested customers design and install EV charging stations in private residential buildings through our one-stop Smart Power EV Charging Solution service. We carry out onsite inspections and evaluate historical data loads to advise on infrastructure design, facility upgrades, and metering arrangements and installation, as applicable. We also assist our customers to apply for Government subsidies.



Greening our Fleet

HK Electric's vehicle fleet comprises 166 EVs, representing over 50% of our vehicles. In 2020, we completed the replacement of all operational sedan cars with EVs or hybrid vehicles.

Greening Public Transport

HK Electric fully supports the ongoing transition to electric public transport. We are currently working with Citybus and First Bus to implement charging facilities for electric buses at Hong Kong Station Bus Terminus and Central Ferry Bus Terminus. In addition to providing the Environmental Protection Department with technical support on its "Pilot Schemes for Electric Public Light Buses and Electric Ferries," we are also providing advisory services for charging facilities at various public ferry piers.



Caring for the Community

Caring for the community is part of our corporate mission. We are proud to put our skills, resources and expertise towards helping those in need, and in particular focusing on elderly care and green education. Through ongoing programmes, we work closely with NGOs and green groups to bring about meaningful and sustainable contributions on these important social issues.

Caring for our Elders

"CAREnJOY for the Elderly" (CAREnJOY) is HK Electric's signature community programme that has been running for over 12 years. We partner with nine elderly service agencies on Hong Kong and Lamma Islands to promote neighbourhood support for elders in order to keep them connected with people and activities in their local communities.

Due to the pandemic, our in-person community outreach under CAREnJOY has come to a halt. But thanks to technological advances, we launched two network-based initiatives, namely "CAREnJOY Call-to-Care" and "CAREnJOY Non-stop," to keep single elders connected via phone calls and WhatsApp messages conveying useful information. During the year, our volunteers called to extend care to 141 single elders, and 47 mobile messages were composed and sent weekly to more than 6,800 single elders.

Expanding CAREnJOY — Socially-distanced Connections



"CAREnJOY Non-stop" provides weekly information in the form of text messages, graphics and GIF via instant-messaging application on mobile phone. The service was launched in May 2020 and has given useful tips on various topics including infection prevention, health management, electrical safety, prevention of dementia and low-carbon living.



"CAREnJOY Call-to-Care" service overcame social-distancing restrictions and replaced home visits by engaging our volunteers to call up single elders, helping relieve their psychological pressure and loneliness during the suspension of social activities and services.

Embracing the Golden Third Age

We believe that a person's age should never be a constraint to leading a fulfilling and meaningful life.

The U3A (University of 3rd Age) Network of Hong Kong, co-founded by HK Electric and the Hong Kong Council of Social Service (HKCSS) in 2006, aims to encourage local retirees to pursue lifelong learning and continue to contribute to the community through volunteering. In 2020, we financed 48 self-learning centres operated by 16 social service agencies.

In 2020, we moved our Smart Power Ambassador training online and successfully trained about 130 retirees to be more green-conscious. Following suspension of face-to-face teaching, we encouraged U3A students to keep up the pace of learning at home. About 200 of them took part in an incentive scheme and shared their experiences of learning about low-carbon lifestyle, environmental protection and healthy living.



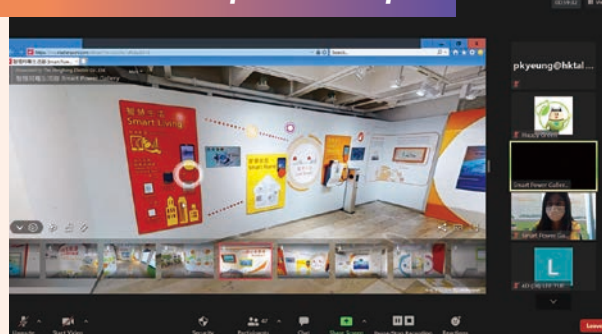
Giving to Good Causes

HK Electric supports various charitable causes through sponsorships and donations in aid of many beneficiaries, including students from low-income families, NGOs, green organisations, professional bodies and community groups.

In 2020, in addition to funding the U3A Network, our Centenary Trust provided scholarships for 70 secondary school students with financial needs. A charity sales day was held at our Electric Tower in January for the Tung Wah Group of Hospitals. In June, HK Electric joined other CK Hutchison Group companies to raise funds for The Community Chest. By pledging to match public contributions dollar for dollar, the CK Hutchison Group doubled the amount of money raised to help people ride through the pandemic.

Since 2004, we have participated in a programme managed by Caritas that refurbishes used computers and related equipment for donation to underprivileged households. In 2020, we contributed 412 computer items under this programme.

More Than Just Sponsorship



In addition to providing financial support to 70 students in financial need, we also offered them learning opportunities by organising virtual tours of our Smart Power Gallery, through which they could understand more about the story of HK Electric, climate change, energy conservation, RE and how Hong Kong citizens can contribute to building a smart city.



Salute to
Healthcare
Professionals



HK Electric Volunteers

From just a few hundred members in 2004 to more than 1,100 strong today, the HK Electric Volunteers Team remains a dedicated arm of our sustainability efforts.

While service opportunities have been largely reduced under the pandemic, the HK Electric Volunteers Team strived to address community needs in this challenging time and explored various opportunities to serve, including purchasing supplies for people at a quarantine camp, producing cheering messages for about 10,000 healthcare professionals of Hong Kong East Cluster, preparing anti-virus sanitary bags for "Young Mothers and Babies," providing online mentoring for secondary students and delivering free meals to deprived families hard hit by the pandemic.

Throughout the year, the team supported 22 services totalling 712 service hours.

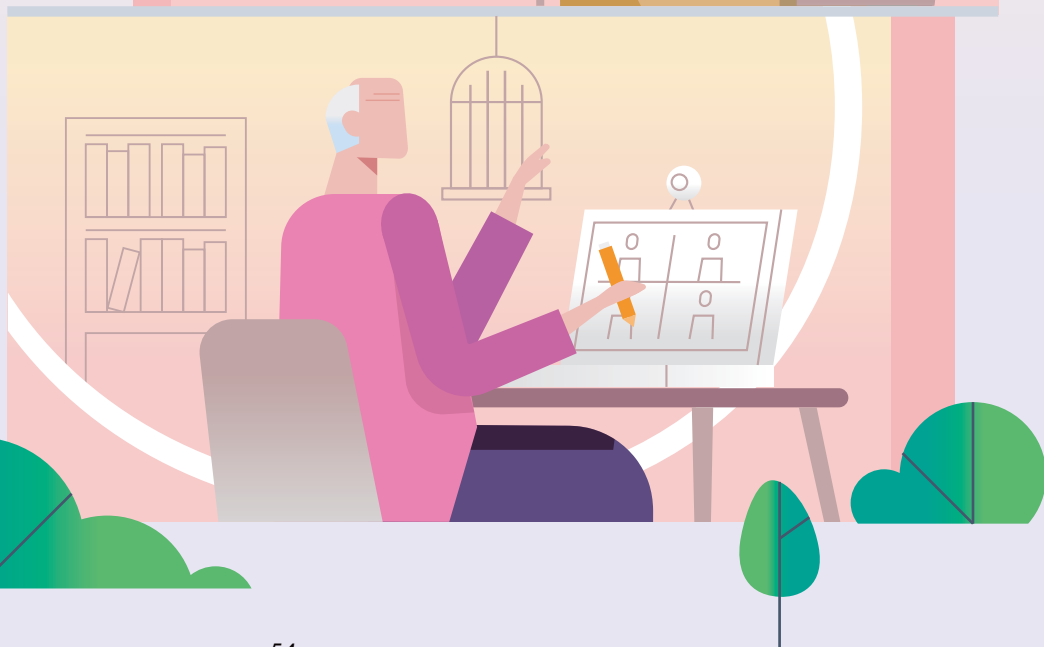


Upcycling by
HK Electric Volunteers

Being There

in the Moments that Matter

HK Electric's commitment to caring for our community took on new significance in 2020 due to the COVID-19 pandemic, which severely affected the lives of the elderly and families with children by forcing many to experience long periods of social isolation. We strived to bring comfort, hope and encouragement through our community programmes during this difficult time.



Reaching out to Families in Need



The meals delivered by HK Electric volunteers helped us make it through this difficult time. The warmth and kindness of the volunteers gave us hope for the future.

Lo Mei-yuk

meal packs recipient

The experience of enjoying a proper and nutritious meal can mean a lot to families who are suffering from severe financial hardship. HK Electric volunteers partnered with the Hong Kong Federation of Youth Groups to deliver healthy meal packs to deprived families in the Eastern District of Hong Kong Island over a consecutive four-week period.

Small Gestures to Show Big Care

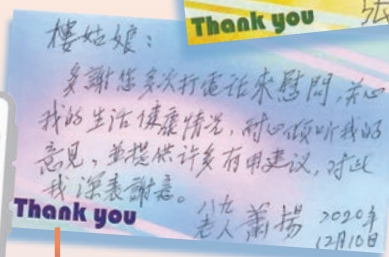
Throughout the pandemic, we have continued to show care and love to the elderly in new ways by fostering social connections through WhatsApp messages. We were concerned that elders living alone may feel lonely, worried or helpless due to social-distancing restrictions and lack of access to timely information about the virus. A simple greeting and warm reminder can bring comfort and help cheer them up.

HK Electric volunteers also made phone calls to single elders who were socially isolating at home in order to reduce the risk of infection.



Lam Ka-yan

Associate Manager at Wan Chai Methodist Centre for Seniors



Thank you messages from the elderly beneficiaries of the "CAREnJOY Call-to-Care" series

HK Electric helped the elderly stay in touch with society. Through useful tips and interesting games sent via WhatsApp, the elderly were able to stay engaged even though they could not physically come to the community centre.

Although I am an 87-year-old elder, I can still contribute to saving the planet for the next generation. At home, I remind myself to implement energy saving measures such as switching off lights after use.

Mai Rui-qun

U3A student and Smart Power Ambassador



Lifelong Learning Never Stops

Many retirees wish to continue enriching their lives through learning and keeping in touch with the world, but this has become more difficult during the pandemic. In response, HK Electric offered socially-distanced learning opportunities through our Smart Power Ambassador Training Programme. 130 U3A students joined online training delivered by company representatives and green groups.

87-year-old Mai Rui-qun is a U3A student at Po Leung Kuk. She used to find online learning a big challenge but after joining the Smart Power Ambassador Training Programme, both her green knowledge and IT literacy have improved.