港燈電力投資
HK Electric Investments

















135+ 推動永續未來
POWERING FOR SUSTAINABILITY



Honouring Heritage

Advancing Sustainability

Sustainability Report 2025


FWD
萬通保險

HONOURING HERITAGE ADVANCING SUSTAINABILITY

The cover of this report features two overlapping circles as a core design element, symbolising continuity between heritage and progress as well as interconnectedness of people and energy. This motif represents HKEI's enduring efforts in ensuring a reliable power supply while advancing low-carbon transformation and social integration, reflecting the Group's commitment to building a sustainable future with its stakeholders.



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Report Overview

Scope and Boundary

This is the Sustainability Report 2025 for HK Electric Investments and HK Electric Investments Limited (collectively, "HKEI"). Our main operating company, The Hongkong Electric Company, Limited ("HK Electric"), is a major power utility in Hong Kong. This report covers our electricity business in Hong Kong in the period from 1 January to 31 December 2025, unless stated otherwise. We report our sustainability performance on an annual basis, including our approach to sustainability, key performance during the year, targets and future plans. This report is intended to be read alongside information from our other key reporting channels. Details about our policies and ongoing initiatives are available on our corporate website at www.hkei.hk. More information on our governance practices, financial performance, awards and recognition can be found in our Annual Report.

Basis of Reporting

This report has been prepared in accordance with the Hong Kong Exchanges and Clearing Limited's ("HKEX") Environmental, Social and Governance ("ESG") Reporting Code as well as the Global Reporting Initiative's ("GRI") Sustainability Reporting Standards and Electric Utilities Sector Disclosures. In addition, we have made reference to the Sustainability Accounting Standards Board ("SASB") Standards for Electric Utilities and Power Generators. A set of GRI Content Index, HKEX ESG Content Index and SASB Content Index are available on our corporate website. These indexes cross reference the relevant disclosures and provide specific information, if any, on individual disclosure items.

To uphold the quality of this report, we have adopted the reporting principles set out in the GRI's Sustainability Reporting Standards and the HKEX's ESG Reporting Code. These principles include "sustainability context", "materiality", "quantitative", "timeliness", "comparability", "balance", "consistency", "verifiability", "accuracy", "clarity" and "completeness". A double-materiality assessment, discussed further in the chapter on Our Business and Approach to Sustainability, has been carried out to determine the issues to be addressed in this report. Data collection and analysis for this report is based on established guidelines and standards, such as International Standard ISO 14064 and Greenhouse Gas Protocol ("GHG Protocol") for greenhouse gas ("GHG") emissions. We set sustainability targets to monitor our performance, with progress against these targets and key performance data in the reporting year presented in the chapter on Our Business and Approach to Sustainability. To track our achievement over time, performance data for the most recent three years are shown in Performance Data Summary for tracking and comparison purposes. To provide a balanced account of our performance, we report both achievements and areas requiring improvement, including unmet targets and complaints received. Consistent methodologies are applied to ensure meaningful year-on-year comparisons, and any material changes to methodology are clearly indicated.

In this report, shareholders refer to holders of our Share Stapled Units and suppliers refer to business entities with which we maintain direct commercial relationships, including contractors. Our workforce primarily comprises full-time employees, with an insignificant portion of part-time and temporary staff. Employees of our contractors, with whom we do not have direct employment relationships, are not considered part of our workforce. All financial data are presented in Hong Kong dollars unless otherwise specified. Due to rounding, some reported figures may not add up to the total. The online version of this report contains video links, some of which are only available in Chinese.

Assurance and Endorsement

Consistent with our commitment to accountability and transparency in reporting our sustainability impacts and performance, we have commissioned an independent third party to verify the contents of this report and to assure its credibility. Details about the assurance can be found in the section on Independent Assurance.

This report has been endorsed by the Sustainability Committee of our Board of Directors ("the Board") and approved by the Board. For further information on how the Board oversees the Group's (refers to HK Electric Investments Limited and its subsidiaries) sustainability strategy, management, performance and reporting, please refer to the chapter on Our Business and Approach to Sustainability.

Feedback

We invite you to share your views on our sustainability performance and this report by completing the Feedback Form available on our corporate website. Your input is greatly valued and will help us realise our vision for a sustainable future.

2025 Performance Highlights

Running a Sustainable Business

Delivered
$2,830 million
as distributable income to holders of our Share Stapled Units

Retrofitted
850 substations with enhanced flood-resilience measures to combat increasingly severe extreme weather since 1992

Launched a **Fraud Risk Management Framework**

Delivered **269** innovative projects since the launch of the Inno Hub in 2018

Sharing our Planet

Reduced carbon emissions by
~42%
compared with the 2005 baseline

Generated
~16 GWh
of green electricity by renewable energy installations of HK Electric and its Feed-in-Tariff customers

Lowered carbon intensity to
0.59 kg/kWh
(CO_2e per electricity unit sold)

Fully complied with **stipulated emissions caps** for sulphur dioxide, nitrogen oxides and respirable suspended particulates

Increased the share of electricity sent out from natural gas to
~69%
supporting a cleaner fuel mix

Attracted
~120,000
participants in Happy Green Campaign

Recorded
>680 participants in a month-long campaign on World Environment Day for employees









Serving Hong Kong

Achieved **>99.9999%** supply reliability rating

Conducted **210** free Smart Power Energy Audits

Met or surpassed **all18** pledged Customer Service Standards

Approved **~$17 million** of subsidies under Smart Power Building Fund

Achieved an average customer satisfaction rating of **4.8** on a 5-point scale

Subsidised **>11,000** households under Smart Power Care Fund

Completed the **Advanced Metering Infrastructure** and **full-scale deployment of smart meters**

Provided **>28,000** learning opportunities for retirees through University of 3rd Age Network

Working with Partners

Recorded **3** Lost Time Injuries among employees

Conducted **2,827** safety inspections

Recorded a Lost Time Injury Frequency Rate of **0.17** among employees

Completed **4,515** safety risk assessments

Recorded a Lost Time Injury Severity Rate of **3.01** among employees

Delivered an average of **38.7** hours of training per employee

Recorded an employee voluntary turnover rate (including retirement cases) of **5.1%**

A Word from our CEO



> “2025 marks the 135th anniversary of our main operating company, HK Electric, reaffirming our unwavering commitment to powering Hong Kong with a reliable electricity supply and supporting the city’s sustainable development.”

As we conclude 2025, it is our pleasure to present HKEI's Sustainability Report for the year. This report reflects not only our progress in advancing sustainability but also our enduring sense of responsibility as a trusted power utility that has grown alongside Hong Kong for generations.

Reflecting on our 135 Years of Service to Hong Kong

Since 1890, when our main operating company, HK Electric, first illuminated Hong Kong's streets with electric lighting, it has been playing an essential role in supporting the city's economic and social development. Over the past more than 135 years, our operations have evolved in step with Hong Kong's transformation from a small trading port with farmland and fishing villages into a modern international city, guided by enduring values of reliability, professionalism and service.

While technologies, energy systems and customer expectations have changed profoundly over the years, our purpose of serving the community with excellence, care, foresight and integrity has remained constant. Throughout our history, we have adapted ourselves to meet new challenges. By strengthening infrastructure, enhancing operational standards and efficiency, adopting greener energy and embracing technology and innovation, we continue to ensure a safe, reliable, clean and affordable electricity supply for our customers.

During the year, we launched a series of initiatives to reflect on our 135-year journey and the foundations laid for future progress. The opening of the "Historical Corner" at Hongkong Electric Centre helps preserve and showcase the key milestones across different stages of our development. Bringing together over 200 stakeholders, we hosted an engineering conference to exchange insights on the future development of infrastructure engineering. In addition, a publication chronicling the technical evolution of our electricity distribution system was prepared. Together, these initiatives demonstrate how our engineering heritage has shaped today's robust operations and reinforce our commitment to knowledge-sharing and professional excellence.



HK Electric 135th Anniversary Historical Corner

Driving the Shift to Clean Energy

As global attention on climate action remained intense in 2025, we continued to advance our decarbonisation journey with clear targets and disciplined execution. During the year, construction of the new gas-fired generating unit L13 progressed as scheduled. L13 is a key decarbonisation initiative under the 2024-2028 Development Plan and is targeted to commence operations in early 2029.

Meanwhile, as we further stretched our capability, we slightly increased the share of electricity sent out from natural gas to 69%, compared with 68% in 2024, and achieved a reduction of 42% in carbon emissions from the 2005 baseline. We expect the ratio of gas-fired electricity sent out to reach approximately 80% once L13 becomes fully operational, allowing further reduction in carbon emissions.

According to the latest available information, Hong Kong's total greenhouse gas ("GHG") emissions in 2024 decreased by 1.3 million tonnes as compared with the previous year. In the same period, HK Electric's GHG emissions dropped by more than 0.59 million tonnes, contributing to more than 45% of the city's total reduction in GHG emissions.

In 2025, we achieved the target relating to renewable energy ("RE") generation ahead of schedule, with around 16 GWh of electricity generated from the RE sources of HK Electric and its Feed-in-Tariff customers during the year. A portion of this green electricity was generated by Lamma Winds — Hong Kong's first commercial-scale wind turbine that was introduced by HK Electric in 2006.

Regrettably, Lamma Winds has reached the end of its service life and ceased operation in the first quarter of 2026, with decommissioning to be arranged for the sake of public safety, and no practicable on-site replacement option was available. Beyond the clean power it generated over its 20 years of operation, Lamma Winds provided valuable insights and experience in harvesting wind energy under Hong Kong's unique weather conditions. It also served as a platform for public engagement and education, helping the community better understand and appreciate RE at a time when it was still relatively new locally. We honour the legacy of this pioneering project and look forward to further opportunities for large-scale local RE development.

Looking ahead, our decarbonisation pathway remains clear. As per the present plan, by 2035, all remaining coal-fired generating units will cease operation for daily electricity generation and be replaced by cleaner and more efficient technologies, contributing to the Hong Kong Special Administrative Region ("HKSAR") Government's target of halving the city's carbon emissions by 2035, against the 2005 baseline. We are also assessing the viability of adapting our gas-fired generating units to utilise both natural gas and hydrogen while working closely with the Government and strategic partners on the import of zero-carbon energy from the Chinese Mainland, in support of Hong Kong's longer-term decarbonisation objectives.

During the energy transition, maintaining generation reliability remains essential. We are replacing aged oil-fired open-cycle gas turbine units with new units to cater for contingencies. We will also extend the operational life of the two latest coal-fired units by replacing critical components, ensuring that they remain dispatchable before being replaced by cleaner energy sources.

Fostering Innovation for a More Resilient Tomorrow

Reliability remains the cornerstone of our service. In 2025, our supply reliability rating exceeded 99.9999% again, translating into less than 0.5 minute of unplanned power interruption per customer on average. This world-class performance reflects decades of investment in enhancing system resilience and careful planning in a geographically complex service area. In fact, our forward-looking decision made more than 30 years ago to progressively replace overhead lines with underground cables and cables in tunnels has proved to be an effective and proactive approach to strengthening network resilience and safeguarding service continuity amid increasing threats from climate change.

We also encourage innovation and digitalisation, leveraging technology to enhance our operations and services. This commitment has long been embedded in HK Electric, with its computerisation and automation journey dating back to the 1960s. A major milestone in 2025 was the completion of advanced metering infrastructure and full-scale deployment of smart meters across our network. This digitalisation initiative enhances power-grid monitoring and fault detection while enabling our customers to manage their electricity usage more effectively.

Other innovation and digitalisation initiatives introduced during the year to enhance our resilience included the commissioning of Hong Kong's first Low-Voltage Direct Current System, expanded use of LoRaWAN and Internet of Things ("IoT") for operational monitoring, rollout of an Intelligent Distribution Solution, launch of a Low-Voltage Management System and establishment of an Intelligent Condition Monitoring Centre, among others. We also launched an AI Governance and Usage Policy to promote the responsible and effective use of AI across our organisation to drive efficiency and sustainability.

In addition, we have established Learning Communities ("LCs") and Special Interest Groups ("SIGs") that connect our employees across different business units to strengthen our culture of innovation and build internal capabilities. These platforms support structured collaborations, enabling members to share knowledge, exchange practical experience and stay informed on emerging trends in areas such as AI, IoT and cybersecurity. LCs identify improvement opportunities and recommend enhancement measures while SIGs promote cross-disciplinary engagement and encourage the adoption of advanced practices across the organisation.

We continue to reinforce our critical facilities against storms, overtopping waves, floods and strong winds in a proactive and adaptive manner to mitigate the physical risks posed by climate change. Together with enhanced surveillance systems and robust contingency planning, our effective emergency response can be ensured.

Supporting the Community with Care and Responsibility

Our role extends beyond electricity supply. Through our Smart Power Services and other flagship education and community programmes, we remain committed to supporting the wider community, with a focus on green education and care for the elderly and the underprivileged.

We also encourage and facilitate our colleagues' participation in giving back to society. During the year, the HK Electric Volunteers Team participated in various meaningful community initiatives, including providing support to those affected by the heartbreaking Tai Po fire incident occurred in November. Apart from this, our employees also made voluntary donations to support the victims and more than HK$300,000 was gathered and presented to The Hong Kong Council of Social Service for the purpose. The tragedy caused profound distress to families and the wider community. On behalf of the Group, I extend our deepest sympathies to all those affected. We paused to mourn, help and show respect, and to consider carefully our own responsibilities as an essential service provider entrusted with public safety.

We strive to ensure that our electricity supply remains affordable to our customers despite challenges and constraints that exert upward pressure on tariffs. These include high construction and maintenance costs due to the geographical characteristics of our supply area, volatility of fuel prices and our relatively limited economies of scale among local utility companies. Our approach to financial management focuses on optimising costs and enhancing efficiency, while continuing to invest in projects essential to maintaining a reliable power supply and achieving common sustainability goals. Under this prudent approach, the Average Net Tariff for January 2026 decreased by 2.2% compared with that for January 2025. We also continue to implement relief measures and concessionary schemes to support customers in need.

Building a Future-ready Workforce for the Power Industry

Our people are central to our long-term success. Beyond offering competitive remuneration and safeguarding their rights, we continue to invest in their growth through purposeful development opportunities and a workplace culture that fosters innovation and continuous learning. Through these efforts, we seek to realise individuals' full potential and encourage collaborative contributions in support of the Group's long-term resilience and sustainable development.

In the latter half of the year, following the retirement of our only female management staff, we have co-opted a female department head into the Management Committee of HK Electric as we value a diverse perspective in our management approach, and this has proved to be very successful as the lady was not shy to express her opinions.

Upholding safety and well-being remains our foremost priority. The Tai Po fire incident has reminded us how rapidly an incident can escalate into a tragedy with far-reaching impacts. While the number of Lost Time Injuries among our employees has remained consistently low in recent years, we cannot and will not be complacent. We will continue to strengthen our safety practices and reinforce a culture of accountability across all operations.



Honouring Heritage while Advancing Sustainability

During the year, I had the privilege of engaging with many young people within our organisation and across the community through various dialogues, engagement activities and education initiatives, including our Hear Your Voice initiative and the Green Energy Dreams Come True competition. The creativity of our young ones, coupled with their passion for a better tomorrow, was truly inspiring. I am confident that, drawing on the wisdom and experience of those came before them, this new generation will continue to push boundaries, drive innovation and play a pivotal role in shaping a sustainable and resilient future for all.

Finally, I extend my heartfelt thanks to the Board, my colleagues and all our stakeholders as well as those who have contributed to the success of HK Electric over the past 135 years, for helping us come this far.

Thank you for your continued support.

Francis Cheng
Chief Executive Officer
March 2026

Our Business and Approach to Sustainability

HKEI in Brief

Constituted in January 2014, HK Electric Investments is a fixed single investment trust in Hong Kong focused exclusively on the energy sector. Share Stapled Units issued by the trust and HK Electric Investments Limited (collectively, "HKEI") are listed on the Main Board of the Hong Kong Stock Exchange. The structure of the trust enables us to maintain a dedicated focus on delivering stable distributions to holders of our Share Stapled Units, while ensuring potential for long-term sustainable growth of our business.

Commencing operations in 1890, our main operating company, HK Electric, is one of the longest established utility companies in the world. HK Electric supplies electricity to more than 599,000 customers in Hong Kong. It operates a vertically integrated power utility under a Scheme of Control Agreement ("SCA") with the Hong Kong Special Administrative Region ("HKSAR") Government. It has a power station on Lamma Island, known as Lamma Power Station ("LPS").

Over the years, HK Electric has contributed immeasurably to the economic and social development of Hong Kong by supplying safe, reliable, clean and affordable electricity in line with our Vision, Missions and Core Values, whilst taking care of our underprivilege customers. To help combat climate change and support Hong Kong in achieving its decarbonisation agenda, we are transitioning from coal-fired to gas-fired power generation at LPS and promoting the use of renewable energy ("RE") while exploring other zero-carbon energy solutions.

For more information about HKEI and HK Electric, please visit our corporate website www.hkei.hk.

Our Vision

To excel in the power business in Hong Kong

Our Missions

- To enhance shareholder value
- To deliver excellent customer services and supply reliability
- To nurture a harmonious and engaged workforce
- To care for the communities that we serve
- To care for the environment in all our activities
- To drive for efficiency in our operations

Our Core Values

- Pursuit of Excellence
- Integrity
- Respect & Trust
- Caring

Our Business Model and Value Chain

HK Electric, as the main operating company of HKEI Group, has financial performance that directly reflects that of the Group. Our business operates as a vertically integrated regulated power utility under the SCA with the HKSAR Government, which establishes our regulatory framework and aligns our operations with Hong Kong's energy policy objectives. The current SCA, effective from 1 January 2019 to 31 December 2033, governs HK Electric's financial returns by granting an annual Permitted Return of 8% on its Average Net Fixed Assets. These Fixed Assets comprise HK Electric's electricity-related investment in land, buildings, plant, equipment and capitalised refurbishment and improvement works. The SCA also contains certain adjustments to the Permitted Return in the form of performance-based financial incentive and penalty schemes as well as funds and service schemes to encourage energy efficiency, operational performance, renewable energy development in Hong Kong and service quality enhancements.

Under the SCA, the regulatory framework incorporates Interim Review, Development Plan Review, Auditing Review and Tariff Review, which enable the Government to monitor our financial, operational and environmental performance. These periodic reviews ensure compliance and transparency while maintaining both stable returns for shareholders and flexibility to invest in long-term infrastructure through planned capital expenditure for electricity-related property, plant and equipment. The framework is designed to respond to both short-term and medium-term developments through annual reviews and future planning. For further details, please refer to the Scheme of Control Agreement.

Our business model supports the management of sustainability-related risks and opportunities, including those arising from climate change, energy transition and evolving regulatory requirements, while creating long-term value for the Group and its stakeholders. This approach positions us to contribute to Hong Kong's decarbonisation and energy-transition goals. We maintain operational resilience through strategic investments in grid reliability and low-carbon technologies, ensuring robustness under future energy scenarios.

Our value chain spans from upstream suppliers and contractors to downstream customers and community, and is supported by dedicated resources, robust governance and engagement practices, proactive sustainability and innovation initiatives and well-established processes that collectively deliver outcomes aligned with our sustainability objectives. We regularly conduct reviews to strengthen every stage of our value chain and seek opportunities for continual improvement, ensuring responsible use of resources and enhancing both practices and outcomes. For further information on how climate-related risks and opportunities impact different stages of our value chain, please refer to the Climate-related Disclosures section of the ensuing chapter.



How We Deliver Sustainable Value

1 RESOURCES AND INPUTS

Financial Resources
$4,193 million
in capital expenditure for electricity-related property, plant and equipment

Natural Resources
88,268 TJ
fuel consumption

1.19 million m³
town water consumption

1,559 million m³
of seawater utilised for cooling of generating units

Human Capital*
1,635
permanent employees

161
contract employees

Supply Chain
973
global suppliers supporting operations

Technology and Infrastructure
State-of-the-art generation, transmission and distribution facilities, supported by advanced metering infrastructure and sophisticated information technology systems

2 BUSINESS ACTIVITIES

Upstream
The stage where critical resources, materials and expertise are secured and managed to support reliable, efficient and sustainable electricity generation and delivery. This includes sourcing fuel and essential inputs in a manner that upholds sustainability standards and ensures resilience across the supply chain.

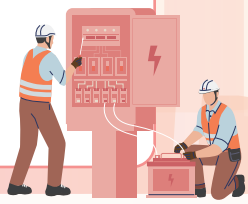
Business and Operations
Our operations cover Hong Kong Island and Lamma Island, forming our primary service territories for power generation, transmission and distribution.

Power Generation
Generating Capacity*:

3,083 MW in total of installed generating capacity.

- 4 gas-fired combined-cycle units:
  1,475 MW
- 3 coal-fired units:
  1,050 MW
- 1 solar power system:
  1.5 MW
- 1 wind turbine unit (known as Lamma Winds):
  0.8 MW
- Other small-scale RE installations:
  1 MW
- 5 oil-fired gas turbine units
  (for peak-lopping and emergency operations):
  555 MW





Business and Operations

Transmission and Distribution

Network Infrastructure*:

7,143 km in total of transmission and distribution circuits, ensuring reliable electricity delivery.

- High-voltage circuit length: **447 km**
- Medium-voltage circuit length: **4,417 km**
- Low-voltage circuit length: **2,279 km**

Products and Services

Electricity Delivery:

- **>599,000** customers served*
- **9,916 million kWh** sold
- **>99.9999%** supply reliability rating
- **0.59 kg/kWh** carbon intensity (CO_2e per electricity unit sold)

Downstream

The stage where reliable electricity is delivered to customers and where sustainability and caring initiatives are extended to stakeholders, ensuring long-term business success and satisfaction of stakeholders.

3 OUTCOMES

- Economic contribution
- Impact on the environment
- Power supply reliability
- Customer satisfaction
- Contribution to community
- Employee wellness, development and satisfaction
- Operational safety
- Influence on supply chain



Notes:
[1] The reported figures are for 2025 and those marked with (*) represents the figures as at the end of the year.
[2] For information on our allocation of financial resources, please refer to our Annual Report.
[3] For information on our use of natural resources, please refer to the section on Performance Data Summary.

Sustainability Governance

HKEI strives to operate a sustainable and responsible business in line with the principles of openness, integrity and accountability. Our approach to sustainability governance is built on a robust foundation of sound corporate governance and high ethical standards.

Our Sustainability Framework facilitates the consistent incorporation of sustainability practices in line with our Sustainability Policy and other key Corporate Policies and business priorities. The framework includes 15 focus areas, addressing the most material topics for HKEI and its stakeholders. These focus areas are categorised into four strategic directions that reflect the nature of our business, closely linked to the United Nations' Sustainable Development Goals ("SDGs"). The Framework empowers us to translate our values and commitments into tangible and measurable targets, ensuring ongoing monitoring and evaluation of our progress and fostering effective communication with our stakeholders.

HKEI has set sustainability targets for the Group with reference to the United Nations' 2030 Agenda for Sustainable Development and the associated SDGs, of which the progress is reviewed and reported on an annual basis. For further details on the sustainability targets established, please refer to the Sustainable Development Goals and Targets section.

Sustainability Governance Structure



Our commitment to sustainability is integrated throughout our organisation, with clear accountability at every level:

- The Board holds overall responsibility for the Group's sustainability strategy, management, performance and reporting.
- The Board has delegated specific oversight responsibilities to the Sustainability Committee, tasked with supervising the development and implementation of sustainability initiatives. This includes reviewing relevant policies and practices, as well as analysing sustainability risks and opportunities. Additionally, the Sustainability Committee advises the Board on issues concerning public communication and disclosures regarding the Group's sustainability performance, such as the annual Sustainability Report. In 2025, the Sustainability Committee conducted two meetings. The committee's Terms of Reference are available on our corporate website.
- At the management level, the Sustainability Management Committee supports the Sustainability Committee in fulfilling its duties. Chaired by the Chief Executive Officer, the Sustainability Management Committee meets quarterly to steer and coordinate the Group's sustainability endeavours and cultivate a deeper comprehension of sustainability. The Committee also reviews our engagement approach biannually to ensure effective stakeholder engagement.

Sustainability Management Committee

In 2025, there were changes in the composition of the Sustainability Management Committee.



Alex Ng
Group Legal Counsel and Company Secretary

Raymond Choi
Operations Director

Wong Kim Man
Chief Financial Officer

Francis Cheng
Chief Executive Officer

Bill Ho
General Manager (Corporate Development)

Dennis Wu
General Manager (Human Resources)

John Liauw
General Manager (Public Affairs)

In 2025, the following issues were discussed at the Committee meetings and reported to the Sustainability Committee:

- Sustainability goals, targets and performance
- Policies and risk management related to ESG matters
- Stakeholder engagement and community engagement
- Public communications, disclosure and publication
- ESG risks and opportunities
- Double materiality assessment and sustainability reporting

As part of our commitment to continuous improvement, we actively participate in both local and global benchmarking initiatives, including the MSCI ESG Rating, S&P ESG Rating and Morningstar Sustainalytics ESG Risk Rating. As a result of these efforts, HKEI is featured in the product repository of the Sustainable & Green Exchange (STAGE) established by HKEX.

SUSTAINABILITY FRAMEWORK

This framework is based on our **Vision, Missions and Core Values**, as well as our **Sustainability Policy** and other key **Corporate Policies**.

Commitment

Promoting sustainable development by operating our business in a responsible and transparent manner while meeting the long-term energy needs of the community we serve

Objective

Aiming to be a world-class energy supplier providing a safe, reliable, clean and affordable electricity supply and striving to be a good corporate citizen and an employer of choice

Approach

Integrating sustainability considerations into every aspect of our corporate culture and business operations and engaging with our stakeholders to create shared value

Strategic Directions

Running a Sustainable Business

Ensuring a strong foundation for supporting sustainable development

Material Areas

- 1.1 Securing a stable return and delivering long-term value for our investors
- 1.2 Upholding a high standard of corporate governance and disclosure
- 1.3 Managing key risks and opportunities effectively, including those related to climate change
- 1.4 Building mutual trust with our stakeholders
- 1.5 Fostering a culture of innovation

Sharing our Planet

Sustaining a beautiful and liveable planet for future generations

Material Areas

- 2.1 Combatting climate change
- 2.2 Minimising the environmental impacts of our business operations and supporting circular economy
- 2.3 Promoting environmental awareness among our stakeholders

Serving Hong Kong

Making our home a prosperous, smart and caring city

Material Areas

- 3.1 Providing a reliable and affordable electricity supply
- 3.2 Delivering excellent customer services
- 3.3 Caring for the community

Working with Partners

Engaging with our employees and business partners to ensure safe and responsible business operations

Material Areas

- 4.1 Respecting human rights
- 4.2 Caring for our employees and their families
- 4.3 Improving our health and safety performance continually
- 4.4 Managing our supply chain responsibly

Supporting the United Nations' Sustainable Development Goals, specifically:

Goal 7 Affordable and Clean Energy

Goal 8 Decent Work and Economic Growth

Goal 9 Industry, Innovation and Infrastructure

Goal 11 Sustainable Cities and Communities

Goal 12 Responsible Consumption and Production

Goal 13 Climate Action

Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

At HKEI, we have established a clear framework for stakeholder engagement guided by our updated Media, Stakeholder Engagement and Community Investment Policy to foster open, transparent and effective communication with stakeholders. Our engagement efforts focus on individuals and groups that are affected by or hold influence over our operations and supply chain. We provide comprehensive information to address stakeholders' concerns and expectations regarding the environmental, social and economic impacts of our activities, thereby promoting the sustainable growth of both our business and society. By leveraging our digital corporate stakeholder engagement portal, business units can plan, record and evaluate their engagement activities. It ensures stakeholder feedback is captured systematically and drives our continuous improvement.

Engaging with our Stakeholders

1. Meetings / conversations / enquiries / interviews
2. Visits / talks / seminars / workshops / exhibitions
3. Advisory services / community programmes / volunteering services / social & recreational activities / sponsorships & scholarships / award schemes
4. Consultation panels / focus groups / liaison teams
5. Surveys / suggestion schemes
6. Mobile apps / intranet / website / social media / news & publications

Stakeholder groups	Why their views are important to HKEI	Usual engagement channels
Customers	Electricity is an essential part of their daily life, and understanding their needs helps us meet or exceed their expectations.	1 2 3 4 5 6
Shareholders and Investors	We are accountable for safeguarding their interests and ensuring sustainable returns.	1 2 6
Employees	Employees are integral to our operations and long-term success. We value their well-being, engagement, and contributions to safe, reliable and efficient services.	1 2 3 4 5 6
Suppliers and business partners	Shared sustainable values and collaboration are essential for fostering long-term relationships.	1 2 3 5 6
Local communities	We are committed to supporting the city's sustainable development and helping those in need.	1 2 3 4 6
Green groups and social NGOs	They are our key partners in driving environmental conservation and sustainable community development.	1 2 3 4 6
Education sector	Promoting green education, especially among young people, helps build a sustainable future.	1 2 3 4 5 6
Engineering sector and professional institutions	They are our key industry partners who contribute to innovation and technical excellence.	1 2 4 6
Media	They are effective channels for communicating with the public.	1 6
Authorities and legislators	Their regulatory oversight ensures compliance and accountability in our utility operations.	1 2 4 6

2025 Highlights of Engagement Activities

Stakeholder groups	Activities
Customers	• Various initiatives and promotion activities under our Smart Power Services to encourage and support our customers to go green • Exchanging views with members of the Customer Liaison Group and updating group members on company development through meetings and company visits • After-service surveys to gauge customer satisfaction • Customer newsletter "HK Electric Online" and video communication "KR 44 TV"
Shareholders and investors	• Annual General Meeting with shareholders • Updating shareholders on our business operations through company visits • Regular dialogue with investors to address their concerns and expectations • Participation in various local and global benchmarking initiatives to allow investors to learn more about our sustainability performance
Employees, suppliers and business partners	• "Dialogue with Francis" employee communication forum with HKEI's Chief Executive Officer, Joint Consultation meetings, and focus group meetings to facilitate the exchange of views and ideas with our employees • "Hear Your Voice" communication channel to connect our young professionals with senior executives and encourage open and constructive dialogue • Employee Well-being Focus Group to understand our employees' well-being, work-life balance, and workplace engagement • Company-wide Environmental Climate Index ("ECI") Survey to assess organisation's environmental culture, identify areas for enhancement, and develop corresponding action plans • Theme talk on ESG to deepen employees' understanding of how sustainability principles are integrated across various business aspects • Active participation in the promotion and advocacy of environmental stewardship through industry associations. • Performance Management System to provide feedback and coaching to employees on their performance and development • Targeted initiatives and awareness programmes to promote physical and psychosocial well-being, and support the health and safety of our employees and contractors



Shareholders visit LPS



Employee communication forum with CEO

Stakeholder groups	Activities
Local communities, green groups, social NGOs and education sector	✓ Exchanging views with community members and updating them on company development through meetings and company visits ✓ Participation in career fairs to foster awareness of career prospects with HK Electric among university students ✓ Various educational activities under the Happy Green Campaign to enhance environmental awareness among the public, particularly young people ✓ Eco-heritage tours under the Green Hong Kong Green programme to foster public appreciation of Hong Kong's eco-heritage resources ✓ Home visits, electrical safety talks and outings under the "CAREnJOY for the Elderly" programme to support the elders-in-need ✓ Helping local retirees pursue lifelong learning and continue to contribute to the community through the "University of 3rd Age" ("U3A") network
Engineering sector and professional institutions	✓ Participation in knowledge and experience sharing activities with professional bodies ✓ Collaboration in the "Belt and Road Advanced Programme in Power and Energy 2025" to nurture senior-level talent in the energy industry ✓ Participation in meetings and forum of the Joint Utilities Safety and Occupational Health Policy Group to discuss safety issues and benchmark safety practices ✓ Engagement with the Hong Kong Accreditation Service (HKAS) in an on-site witness assessment ensured a robust and prudent independent verification process, confirming that HK Electric's GHG quantification mechanism is effective and compliant with ISO 14064-1 requirements
Media	✓ Press releases, interviews, visits, briefings, corporate website, apps and social media to keep media informed on corporate initiatives
Authorities and legislators	✓ Updating legislators and government officials on company development ✓ Working closely with relevant authorities to ensure proper implementation and transparency of the SCA, as well as the way forward to achieve net zero ✓ Meeting with relevant government departments and other utilities through the Joint Utilities Policy Group to discuss issues of shared concern



Engaging with the Lamma Community

HK Electric Marks 135 Years of Powering Hong Kong with a Series of Activities

HK Electric hosted a series of meaningful activities to commemorate its 135 years of powering Hong Kong. The activities brought together employees, partners, community stakeholders and industry representatives through events designed to honour the company's legacy while spotlighting innovation and future development.

Industry Collaboration at the 135th Anniversary Engineering Conference

A key highlight was the 135th Anniversary Engineering Conference held on 16 October 2025, which brought together over 100 government officials, industry leaders, engineering experts, academics and corporate partners. The Conference fostered in-depth dialogue on sustainability, energy transition and innovation under the theme "When Tradition Meets Technology". Three panel discussions covered HK Electric's history, innovation projects and climate-related initiatives. The Conference was officiated by senior government representatives and HKEI's Chief Executive Officer, with contributors from major organisations such as Airport Authority Hong Kong, the Civil Engineering and Development Department, MTR Corporation, Arup, Swire Properties and Towngas sharing insights on building resilience and advancing sustainable infrastructure.



HK Electric 135th Anniversary Engineering Conference

Honouring a Legacy of Reliability and Knowledge Sharing

HK Electric launched a commemorative publication, *HK Electric — The Endeavour Behind High Supply Reliability*, highlighting the company's long-standing expertise and achievements in the design, operation and maintenance of electricity distribution systems. This publication reflects HK Electric's professionalism, technical leadership and commitment to knowledge succession within the sector.

Preserving Heritage Through the Historical Corner

We also opened the Historical Corner at Hongkong Electric Centre, offering visitors a curated look into HK Electric's 135-year journey through archival photographs, documents and artefacts. This new exhibition space not only preserves the company's legacy but also inspires employees, partners and the community by linking past achievements with future aspirations in innovation and sustainability.

Promoting Biodiversity and Low-Carbon Development

Under-Secretary for Environment and Ecology Diane Wong and HKEI's Chief Executive Officer joined a tree-planting ceremony at LPS in April. About 100 stakeholders came together to plant 135 trees and shrubs along the newly named "Eco-Carbon Bridge". By promoting local carbon sinks, the event reflected our support of Hong Kong's low-carbon transition. For details, please refer to the chapter on Sharing our Planet.



Tree-planting ceremony at LPS

Celebrating Shared Memories

A "Homecoming Reunion" brought together retired and current colleagues to honour the pioneers who helped build the company's foundations. The gathering celebrated shared memories and highlighted how HK Electric's achievements today are rooted in the dedication, professionalism and contributions of past generations.

Materiality Assessment

At HK Electric, we conduct materiality assessment on a regular basis, and incorporate its outcomes and stakeholders' concerns into our sustainability strategy, objectives and targets. In 2025, we continue to adopt double materiality approach to determine the relative importance of the Group's positive and negative impacts on the environment and society, as well as the risks and opportunities that may affect our business.

2025 Materiality Assessment Process

Step 1 IDENTIFY

Process

- Re-evaluation of 2024 material assessment which involve both internal and external stakeholders; and
- Analysis of megatrends, regulatory changes, risk and opportunity factors, peer benchmarking and sustainability standards.

Outcomes

- Identification of 24 material topics, with no change compared to that of previous year; and
- Compilation of a list of associated positive and negative impacts, as well as formation of risks and opportunities based on the business model and value chain of the Group.

Step 2 PRIORITISE

Process

- Invitation to representatives from various business units to assess the significance of each topic via quantitative survey; and
- Evaluation of significance of the material topics in terms of financial materiality and impact materiality, with consideration of its severity and likelihood.

Outcomes

- Formulation of 2025 Double Materiality Matrix.

Step 3 VALIDATE

Process

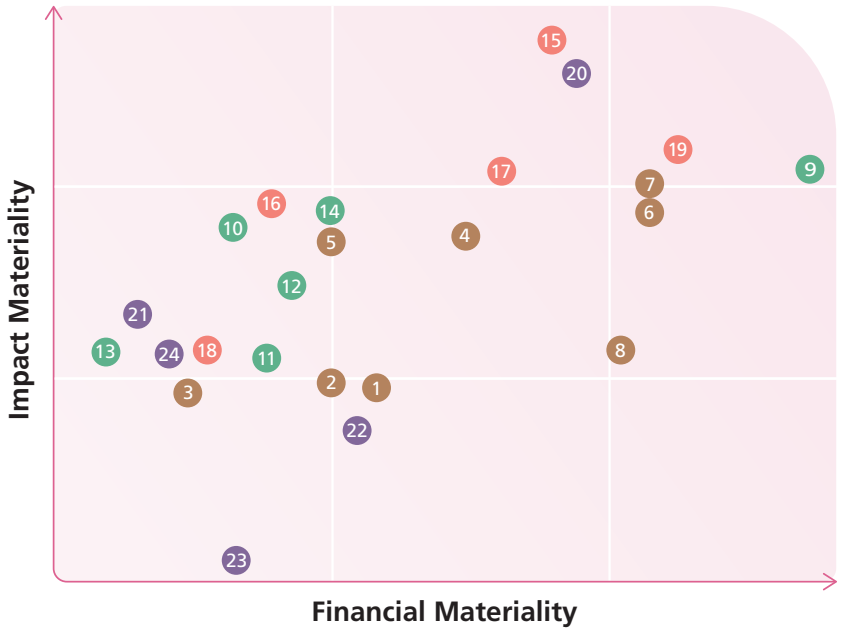
- The assessment results were reviewed by the Sustainability Management Committee; and
- The results were finalised and formally endorsed by the Sustainability Committee.

Outcomes

- The outcomes have been fully reflected in the preparation of this report and considered in identification of ESG Risks and Opportunities.

HKEI's 2025 Double Materiality Matrix

The materiality matrix below summarises the relative importance of the 24 material topics according to their significance to HKEI and its stakeholders from the perspectives of impact materiality and financial materiality. In 2025, the top material topics identified include "Combatting climate change", "Ensuring supply reliability and asset integrity" and "Prioritising occupational health and safety". The numbers in brackets against each material topic reference the relevant material areas in our Sustainability Framework.



Running a Sustainable Business

1. Upholding business ethics (1.2)
2. Bolstering contingency preparedness (1.2, 4.3)
3. Ensuring effective corporate governance (1.2, 1.3)
4. Enhancing economic performance (1.1)
5. Engaging with stakeholders to advance sustainability (1.4)
6. Fostering innovation to drive sustainability (1.5)
7. Strengthening climate resilience and adaptation strategies (1.3)
8. Leveraging sustainable finance mechanism (1.1)

Sharing our Planet

9. Combatting climate change (1.3, 2.1)
10. Enhancing energy efficiency (2.2, 3.2)
11. Implementing sustainable water management (2.2)
12. Advancing circular economy through waste management (2.2)
13. Conserving biodiversity (2.2)
14. Promoting low-carbon behaviour (2.3)

Serving Hong Kong

15. Ensuring supply reliability and asset integrity (3.1)
16. Facilitating access to electricity and promoting affordability (3.1)
17. Safeguarding customer privacy, health and service quality (3.2, 4.3)
18. Promoting community relations and investments (2.3, 3.3)
19. Strengthening cybersecurity (3.1, 3.2)

Working with Partners

20. Prioritising occupational health and safety (4.3)
21. Managing human capital effectively (1.2, 4.1, 4.2)
22. Establishing a sustainable supply chain (1.2, 4.1, 4.4)
23. Upholding and managing human rights (1.2, 4.1)
24. Promoting diversity, equity and inclusion (1.2, 4.1)

Identified Material Impacts, Risks and Opportunities

RUNNING A SUSTAINABLE BUSINESS

Material Topics	Impacts, Risks and Opportunities	Alignment with UNSDGs *(for positive impacts only)*	Value chain [1]	Time horizon [2]
1 Upholding business ethics	**Risk:** Misconduct, fraud and corruption by management or staff could damage the Group's reputation and interests, undermining investor confidence in HKEI's ability to manage operations profitably.	–	Business & Operations	Short-term
	Negative impact: Failure to uphold ethical standards may lead to misconduct, regulatory breaches and loss of public trust, undermining the fairness and integrity of the Group and the broader industry.	–	Business & Operations	Short-term
2 Bolstering contingency preparedness	**Risk:** Incomplete contingency plans could exacerbate the negative effects of unexpected events, leading to reputational damage and operational disruptions that potentially increase repairs and maintenance costs.	–	Business & Operations	Short-term
	Negative impact: Inadequate contingency planning and response may lead to severe disruptions, endangering workers, local communities and the environment.	–	Business & Operations; Downstream	Short-term
3 Ensuring effective corporate governance	**Risk:** Deficiencies in board diversity, independence and governance practices could impair decision-making and long-term development.	–	Business & Operations	Long-term
	Risk: Informal internal control policies and standards could lead to inconsistent practices among different personnel, potentially resulting in inefficiencies.	–	Business & Operations	Medium-term
	Negative impact: Increased legal, regulatory and reputational risks that may affect enterprise value and the interest of wider community, if without effective governance.	–	Business & Operations	Short-term
4 Enhancing economic performance	**Risk:** Sluggish adaptation to economic instability and regulatory shifts could hinder the Group's growth, impair market position and increase operational costs.	–	Business & Operations	Medium-term
	Positive impact: Drive economic, social and environmental enhancement through strategic business planning and development, ensuring a reliable and sustainable power supply that benefits shareholders, communities and the environment.		Business & Operations; Downstream	Medium-term
5 Engaging with stakeholders to advance sustainability	**Risk:** Inadequate collection and consideration of stakeholder feedback may lead to stakeholder dissatisfaction, project delays and reputational damage.	–	Upstream; Business & Operations; Downstream	Medium-term
	Positive impact: Facilitate sustainable development of society and increase public awareness of sustainability by building mutual understanding and trust with stakeholders and addressing their expectations through different types of engagement activities.		Upstream; Business & Operations; Downstream	Medium-term

RUNNING A SUSTAINABLE BUSINESS

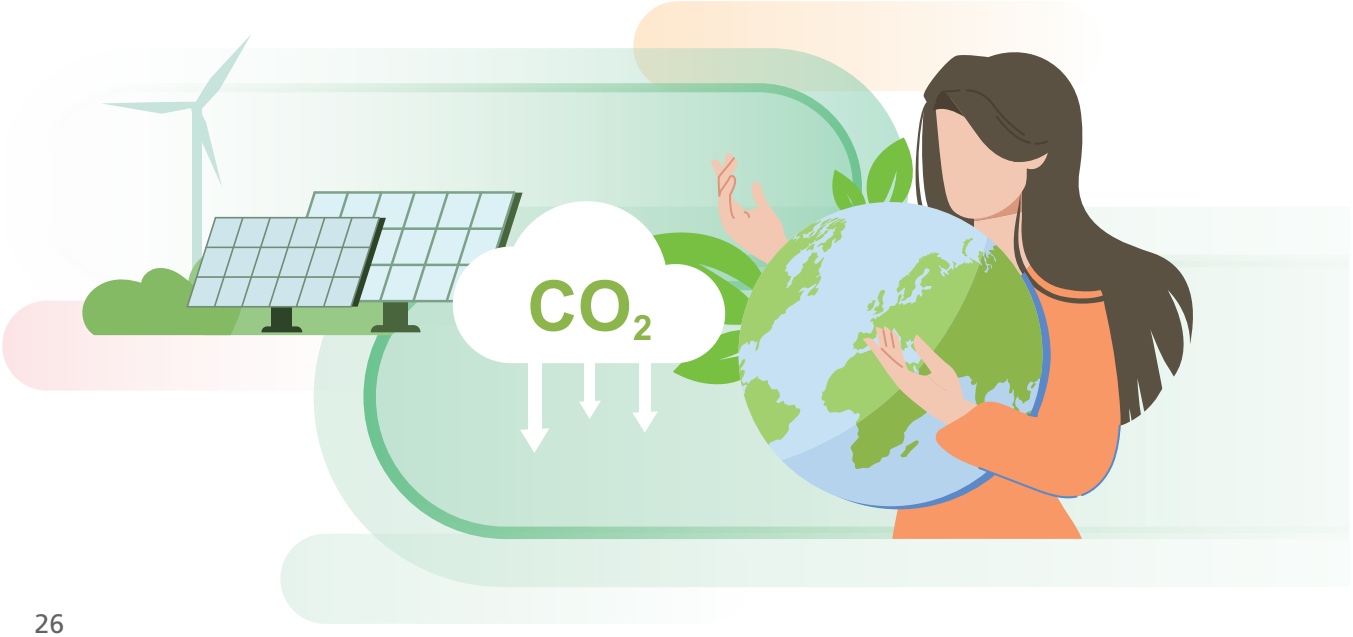
Material Topics	Impacts, Risks and Opportunities	Alignment with UNSDGs *(for positive impacts only)*	Value chain [1]	Time horizon [2]
6 Fostering innovation to drive sustainability	**Risk**: Insufficient adoption and investment in new technological solutions may lead to unreliable electricity services and failure to meet customer expectations, damaging reputation and operational efficiency.	–	Business & Operations	Medium-term
	Risk: Adoption of new and emerging decarbonisation technologies, e.g., green hydrogen and/or green ammonia, may involve additional costs and implications for system reliability.	–	Business & Operations	Medium-term
	Opportunity: Adopting innovation can enhance operational performance, reduce operational cost, promote wider technology adoption, stimulate investment opportunities and reinforce the Group's market position in energy innovation.	–	Business & Operations	Medium-term
	Positive impact: Support transformation of the energy industry for a low-carbon economy and other outcomes that benefit the sustainable development of the society through ongoing commitment to innovation and collaboration with stakeholders.		Business & Operations; Downstream	Long-term
	Negative impact: Impede the advancement of low-carbon transition and the realisation of 2050 carbon-neutrality goal, if failing to implement relevant innovation and digital transformation projects.	–	Business & Operations; Downstream	Long-term
7 Strengthening climate resilience and adaptation strategies	**Risk:** Increased physical risks, both acute and chronic, from climate change could damage assets, cause power outages, and lead to higher operational costs.	–	Business & Operations	Short-term
	Opportunity: Investing in resilient infrastructure and smart adaptation strategies can enhance weather resistance, reduce disruptions and recovery costs, and improve operational efficiency and customer satisfaction.	–	Business & Operations; Downstream	Medium-term
	Positive impact: Enhance the reliability of electricity supply and contribute to the well-being of local communities by reducing infrastructure damage and service disruptions through proactive climate resilience planning and adaptation measures.		Business & Operations; Downstream	Medium-term
	Negative impact: Lead to increased vulnerability to extreme weather events, resulting in more frequent and severe damage to infrastructure, and associated economic disruptions and threats to lives and properties, if failing to strengthen climate resilience and adaptation strategies.	–	Business & Operations; Downstream	Medium-term
8 Leveraging sustainable finance mechanism	**Risk:** Ongoing capital investments outlined in the Government-approved Development Plan under the Scheme of Control Agreement may exert upward pressure on tariff, which could expose HK Electric to reputation and regulatory risks — particularly if tariff increases are perceived as misaligned with public expectations or policy objectives.	–	Business & Operations	Medium-term
	Opportunity: Aligning with the Hong Kong Taxonomy for Sustainable Finance enables HKEI to access diversified sustainable financing for energy transition projects, supporting stable return.	–	Business & Operations	Medium-term
	Positive impact: Integrating sustainability into financial decision-making helps channel capital toward environmentally and socially responsible initiatives. This supports mitigation of climate change, promotes sustainable development, and manages the broader societal and environmental impacts of investment activities.		Business & Operations	Medium-term

SHARING OUR PLANET

Material Topics	Impacts, Risks and Opportunities	Alignment with UNSDGs *(for positive impacts only)*	Value chain [1]	Time horizon [2]
9 Combatting climate change	**Risk:** Stricter environmental regulations (e.g., potential carbon emission limits, carbon tax and energy efficiency requirements) and government policies on climate change, could result in higher capital expenditures, operating expenses and fuel costs.	–	Business & Operations	Long-term
	Risk: Changing electricity demand due to climate awareness may shift consumer preferences towards low-carbon products, increasing demand pressures and environmental concerns. Failure to meet these expectations can lead to reputational risks, especially for companies seen as significant GHG emitters like HKEI.	–	Business & Operations	Medium-term
	Opportunity: Government regulations and policies on climate action can drive zero-carbon energy solutions and long-term investments in energy infrastructure under a sound regulatory regime, enabling HKEI's sustainable growth.	–	Business & Operations	Long-term
	Positive impact: Help alleviate climate change and in turn benefit the whole society, by reducing greenhouse gas emissions through increasing gas-fired generation, phasing out coal-fired generation and supporting zero-carbon energy applications such as RE.		Downstream	Medium-term
	Negative impact: Continued reliance on coal-fired generation contributes to air pollution and climate change, harming public health and livelihoods.	–	Downstream	Medium-term
	Negative impact: Inadequately managed transition may negatively affect workers and communities through job losses and social disruption.	–	Business & Operations; Downstream	Long-term
10 Enhancing energy efficiency	**Risk:** Poor energy management practices could result in higher operating costs.	–	Business & Operations	Medium-term
	Positive impact: Improve operational efficiency and reduce carbon emissions through effective energy monitoring and conservation, contributing to environmental protection, reliable service delivery and broader community well-being.		Business & Operations; Downstream	Medium-term
11 Implementing sustainable water management	**Risk:** Excessive or improperly managed water extraction and discharge may adversely affect local water availability and ecosystems, while also exposing HKEI to environmental compliance risks, including regulatory penalties, reputational damage and higher operating costs.	–	Business & Operations	Short-term
	Opportunity: Investing in water-efficient technologies and sustainable water management practices could reduce the Group's water footprint, promote water conservation and water efficiency, enhance operational efficiency and reduce operational costs.	–	Business & Operations	Medium-term
	Positive impact: Adopting stringent water management practices leads to sustainable operations by reducing water consumption and enhancing water recycling.		Business & Operations	Medium-term
	Negative impact: Inadequate water management may lead to regulatory non-compliance, increased water stress and degradation of water quality, potentially harming the marine environment.	–	Business & Operations	Short-term

SHARING OUR PLANET

Material Topics	Impacts, Risks and Opportunities	Alignment with UNSDGs *(for positive impacts only)*	Value chain [1]	Time horizon [2]
12 Advancing circular economy through waste management	**Risk:** Improper waste management or non-compliance with environmental regulations such as the Waste Disposal Ordinance could result in soil and water contamination, biodiversity loss and associated public health risks, exposing HKEI to reputational damage and financial penalties.	–	Business & Operations	Short-term
	Positive impact: The adoption of practices of circular economy and waste reduction at source can lead to significant improvements in resource efficiency by reducing reliance on raw materials and minimising waste.	11, 12	Business & Operations	Medium-term
	Negative impact: Ineffective waste management and practices of circular economy could result in increased pollution and resource depletion, exacerbating waste problems.	–	Business & Operations	Short-term
13 Conserving biodiversity	**Risk:** Failure to conserve biodiversity in energy infrastructure development could result in ecosystem degradation and reputational damage. The growing ecological awareness may increase permitting costs and hinder approval from government and communities for RE projects.	–	Business & Operations	Long-term
	Positive impact: Conserve local biodiversity, support ecosystem enhancement and ensure no insurmountable impacts on ecological resources due to our operations.	14, 15	Business & Operations	Long-term
	Negative impact: Inadequate conservation efforts may endanger protected species and critical natural habitats, leading to ecosystem imbalances and biodiversity loss.	–	Business & Operations	Long-term
14 Promoting low-carbon behaviour	**Risk:** Failure to meet stakeholders' expectations or regulatory requirement regarding promotion of low-carbon lifestyles can lead to reputational damage, customer dissatisfaction.	–	Downstream	Medium-term
	Positive impact: Support a healthier environment and empower communities by encouraging low-carbon lifestyles, leading to reduced greenhouse gas emissions and improved public awareness of climate action.	3, 11, 13	Downstream	Medium-term



SERVING HONG KONG

Material Topics	Impacts, Risks and Opportunities	Alignment with UNSDGs *(for positive impacts only)*	Value chain [1]	Time horizon [2]
15 Ensuring supply reliability and asset integrity	**Risk:** Unstable and insufficient electricity supply could lead to operational disruptions, reputational damage and potential regulatory penalties.	–	Business & Operations	Short-term
	Opportunity: Investing in advanced grid technologies and asset management systems improves supply reliability, reduces service disruptions, enhances customer satisfaction, and enables performance-based incentive returns under the regulatory framework.	–	Business & Operations; Downstream	Medium-term
	Positive impact: Help support the local societal and economic development by delivering a reliable and secure power supply.	7, 9	Downstream	Short-term
	Negative impact: Unreliable or unsafe power supply will affect quality of life and cause disruptions to the societal and economic functioning.	–	Downstream	Short-term
16 Facilitating access to electricity and promoting affordability	**Risk:** Imbalance of affordability and supply resiliency, particularly for underserved markets, could potentially lead to customer dissatisfaction and reputational harm.	–	Business & Operations; Downstream	Short-term
	Positive impact: Ensure that even low-income or vulnerable households can enjoy reliable and affordable electricity.	7, 10	Downstream	Short-term
	Negative impact: Increase the number of households living under the energy poverty line, if failing to ensure accessible and affordable electricity for those in need.	–	Downstream	Medium-term
17 Safeguarding customer privacy, health and service quality	**Risk:** Inadequate customer data protection and poor service quality can result in data breaches, legal issues and reputational damage, leading to a loss of customer trust and market share.	–	Business & Operations; Downstream	Short-term
	Positive impact: High-quality service and strong data protection build customer trust and long-term loyalty.	–	Downstream	Long-term
	Negative impact: May lead to bad customer experience and leakage or misuse of personal data or unauthorised access to such data, if no suitable policies and initiatives are in place.	–	Downstream	Short-term
18 Promoting community relations and investments	**Risk:** Lack of community engagement can expose HKEI to public criticism and damage HKEI's reputation.	–	Downstream	Medium-term
	Positive impact: Encourage and promote effective public, public-private and civil society partnerships, in building an inclusive and sustainable community.	10, 11, 17	Downstream	Medium-term
19 Strengthening cybersecurity	**Risk:** Inadequate cybersecurity measures could lead to cyber-attacks, data leaks and operational disruptions, violating the Protection of Critical Infrastructures (Computer Systems) Ordinance.	–	Business & Operations	Short-term
	Positive impact: Protect sensitive customer data and critical infrastructure from digital threats, thereby ensuring reliable electricity supply and avoiding associated inconvenience to customers.	9	Business & Operations; Downstream	Medium-term
	Negative impact: Lack of cybersecurity measures may lead to data breaches, exposing sensitive information and disrupting essential services.	–	Business & Operations; Downstream	Short-term

WORKING WITH PARTNERS

Material Topics	Impacts, Risks and Opportunities	Alignment with UNSDGs *(for positive impacts only)*	Value chain [1]	Time horizon [2]
20 Prioritising occupational health and safety	**Risk:** Exposure to hazardous conditions, may compromise HKEI's ability to maintain safe working conditions and comply with safety regulations.	–	Business & Operations	Short-term
	Positive impact: Promote greater hazard awareness and change the way people approach risk, prevent illness and promote healthy lifestyles, and hence provide lasting benefits for the workforce, their families and the general public.		Business & Operations	Medium-term
	Negative impact: Increase the risk of work-related illness, injury and death, if failing to implement sufficient health and safety procedures.	–	Business & Operations	Short-term
21 Managing human capital effectively	**Risk:** Failure to provide decent job opportunities may hinder talent attraction and retention, adversely impacting productivity and service quality.	–	Business & Operations	Medium-term
	Positive impact: Promote sustained and inclusive economic growth and facilitate the creation of personal, social, and economic well-being through providing stable and decent jobs, and strengthening the knowledge and skills of employees.		Business & Operations	Medium-term
	Negative impact: Ineffective human capital management may reduce job quality and negatively affect our operational performance and service delivery.	–	Business & Operations	Medium-term
22 Establishing a sustainable supply chain	**Risk:** Failure to effectively evaluate and monitor suppliers against ESG requirements and recognised international standards could lead to compliance, reputational and performance risks.	–	Upstream	Short-term
	Risk: Unstable supply chain, with fluctuations in availability, price, and delivery of raw materials, could lead to higher operational expenses, increased product prices and changes in supply chain strategies.	–	Upstream	Short-term
	Negative impact: Failure to promote sustainability across the supply chain may contribute to poor labour conditions and environmental harm, undermining broader social and ecological well-being.	–	Upstream	Medium-term
23 Upholding and managing human rights	**Risk:** Neglecting human rights or engaging in unethical practices may lead to adverse impacts on employees or other stakeholders and result in reputational, operational and legal challenges.	–	Upstream; Business & Operations	Short-term
	Negative impact: Inadequate management of human rights may lead to infringements affecting employees and other stakeholders.	–	Upstream; Business & Operations	Short-term
24 Promoting diversity, equity and inclusion	**Risk:** Lack of diversity and fairness can result in employee dissatisfaction, decreased productivity and higher turnover.	–	Business & Operations	Short-term
	Positive impact: Enhance organisational performance and hence contributions to society, by bringing diverse skills, experiences and perspectives.		Business & Operations	Medium-term

Notes:

[1] Value chain is composed of Upstream, Business & Operations, and Downstream.

[2] Time horizon is classified as short-term (<1 year), medium-term (1–5 years), and long-term (>5 years).

Sustainable Development Goals and Targets

HKEI is committed to furthering the United Nations' 2030 Agenda for Sustainable Development and its 17 SDGs, designed to end poverty, protect the planet, and ensure peace and prosperity for everyone by 2030. We align our sustainability efforts with these SDGs, striving to extend our impact and deliver meaningful contributions throughout our entire value chain.

We have established targets to gauge our progress towards helping achieve these SDGs and report annually on our performance against these targets. We particularly focus on the following six SDGs, which closely align with our corporate strategies and business priorities.

Goal 7: Affordable and Clean Energy
Goal 8: Decent Work and Economic Growth
Goal 9: Industry, Innovation, and Infrastructure
Goal 11: Sustainable Cities and Communities
Goal 12: Responsible Consumption and Production
Goal 13: Climate Action

Progress on Sustainability Targets

Running A Sustainable Business

Sustainability Targets	Progress in 2025	Alignment with UNSDGs
Enhance asset integrity in the face of climate change[1]: - Complete a retro-commissioning project for one office building at LPS to optimise use of energy by 2025. - Retrofit substations with floor level of less than +6 m PD (Principal Datum) and within the areas identified by the relevant government department as subject to storm-surge impacts with flooding alarms and bund walls in two phases: – Phase I: Complete retrofitting work for substations situated within 100 m of coastline by Q1 2025. – Phase II: Complete retrofitting work for substations situated outside 100 m of coastline by Q2 2026.	**In Progress** The retro-commissioning project for the Fire & Security Building at LPS and Phase I of the substation retrofitting work were completed in 2025. For Phase II, anti-flooding measures were installed in 123 out of 135 substations.	7, 9, 13
Complete a retro-commissioning project for one office building at LPS to optimise use of energy by 2028.[1]	**Extended Target**	7, 9
Encourage innovation and use of new technology for enhancing productivity and operational effectiveness[1][2]: - Continue to introduce innovative problem-solving tools and technology updates to employees through in-house training and sharing sessions. - Continue to introduce innovative initiatives to enhance productivity and operational effectiveness.	**Achieved**	8, 9
Encourage innovation and use of new technology for enhancing productivity and operational effectiveness[1]: - Introduce innovative problem-solving tools and technology updates to employees by arranging at least 30 sessions of engagement activities under the different Learning Communities and Special Interest Groups in 2026. - Introduce innovative initiatives to enhance productivity and operational effectiveness by securing at least 40 deliverables under the different Learning Communities in 2026.	**New Target**	8, 9
Engage business partners & targeted stakeholders on smart zero-carbon caring city & sustainability[1]: - Arrange 100 engagement activities such as workshops and seminars during the period from 2024 to 2028.	**In Progress** 38 engagement activities were arranged from 2024 to 2025.	11, 17
Engage 58,000 fans via our corporate and campaign Facebook pages in 2025[1].	**Achieved**	13, 17
Engage 75,000 fans via our corporate and campaign Facebook pages in 2026[1].	**Extended Target**	13, 17

Sharing Our Planet

Sustainability Targets	Progress in 2025	Alignment with UNSDGs
Replace coal-fired units with gas-fired units to reduce carbon emissions[1]: - Commission a new gas-fired unit, L13, in early 2029.	**In Progress** The foundation work for the gas-fired unit, L13 was completed in 2025. Subsequent excavation and superstructure works are underway.	
Increase the use of RE[1]: - Increase aggregate electricity generated from RE sources of HK Electric and its customers to over 15 GWh/year by 2028.	**Achieved** Ahead of schedule in 2025 Aggregate electricity generated from RE sources was over 15.9 GWh in 2025 and the target would be revised from over 15 to over 18 GWh/year.	
Increase the use of RE[1]: - Increase aggregate electricity generated from RE sources of HK Electric and its customers to over 18 GWh/year by 2028.	**Extended Target**	
Reduce carbon emissions per electricity unit sold[1]: - Ensure yearly average emissions do not exceed 0.5 kg of CO_2e per kWh by 2029.	**In Progress** The yearly average carbon emissions per electricity unit sold was 0.59 kg of CO_2e per kWh in 2025.	
Reduce emissions of air pollutants from power generation[1]: - Control yearly emissions of sulphur dioxide, nitrogen oxides and respirable suspended particulates to within the emission caps stipulated in the relevant Technical Memorandum under the Air Pollution Control Ordinance.	**Achieved**	
Conserve natural resources & reduce waste generation[1]: - Reduce total electricity consumption, water consumption, paper consumption and waste generation of key office premises including Hongkong Electric Centre, Electric Tower, Electric Centre and seven main buildings at LPS by 5%, 1%, 10% and 10% respectively in 2025 as compared to that in 2020. - Collect 5,000 kg of used lead-acid batteries for recycling by local recyclers each year during the period from 2024 to 2028.	**Achieved** **In Progress** 5,900 kg of lead-acid batteries were collected for recycling by local recyclers in 2025.	
Conserve natural resources & reduce waste generation[1]: - Reduce total operational electricity consumption and water consumption for power generation at LPS both by 7% in 2030 as compared with 2025.[3] - Reduce total electricity consumption, water consumption, paper consumption and waste generation of key office buildings including Hongkong Electric Centre, Electric Tower and Electric Centre by 5%, 1%, 7% and 5% respectively in 2030 as compared with 2025.	**Extended Target**	

Sustainability Targets	Progress in 2025	Alignment with UNSDGs
Engage the public on combatting climate change and adopting low-carbon lifestyles[1]: Organise 1,600 education and promotion activities during the period from 2024 to 2028.	**In Progress** More than 1,400 education and promotion activities were organised from 2024 to 2025 and the target would be revised to 2,000 activities during the period 2024 to 2028.	
Organise 2,000 education and promotion activities during the period from 2024 to 2028[1].	**Extended Target**	
Mid-term carbon intensity target aligns with Paris Agreement and was validated and approved by the Science Based Target initiative ("SBTi") in 2022[1][4]: Reduce Scope 1 GHG emissions per kWh of electricity generated by 68.4% by 2035 as compared to that in 2019.	**In Progress**	
Collect at least 80,000 m^3 of plant effluent and rainwater for reuse at LPS in 2025.	**Achieved**	
Collect at least 80,000 m^3 of plant effluent and rainwater for reuse at LPS in 2026.	**Extended Target**	
Plant at least one more species of native trees or shrubs at LPS in 2025 to support biodiversity	**Extended Target**	
Plant at least one more species of native trees or shrubs at LPS in 2026 to support biodiversity.	**Extended Target**	
Reduce food waste at the canteen of LPS in 2025 as compared to that in 2024.[1]	**Achieved**	
Reduce food waste at the canteen of LPS in 2026 as compared to that in 2025.[1]	**Extended Target**	
Reduce the fuel usage of the registered non-EVs of vehicle fleet, excluding vehicles for emergency use, in 2025 to a level not more than that in 2024.[1]	**Achieved**	
Reduce the fuel usage of the registered non-EVs of vehicle fleet, excluding vehicles for emergency use, in 2026 to a level not more than that in 2025.[1]	**Extended Target**	
Increase total mileage of EVs of vehicle fleet to exceed total mileage of non-EV in 2025.[1]	**Achieved**	
Increase total mileage of EVs of vehicle fleet to exceed total mileage of non-EV in 2026.[1]	**Extended Target**	

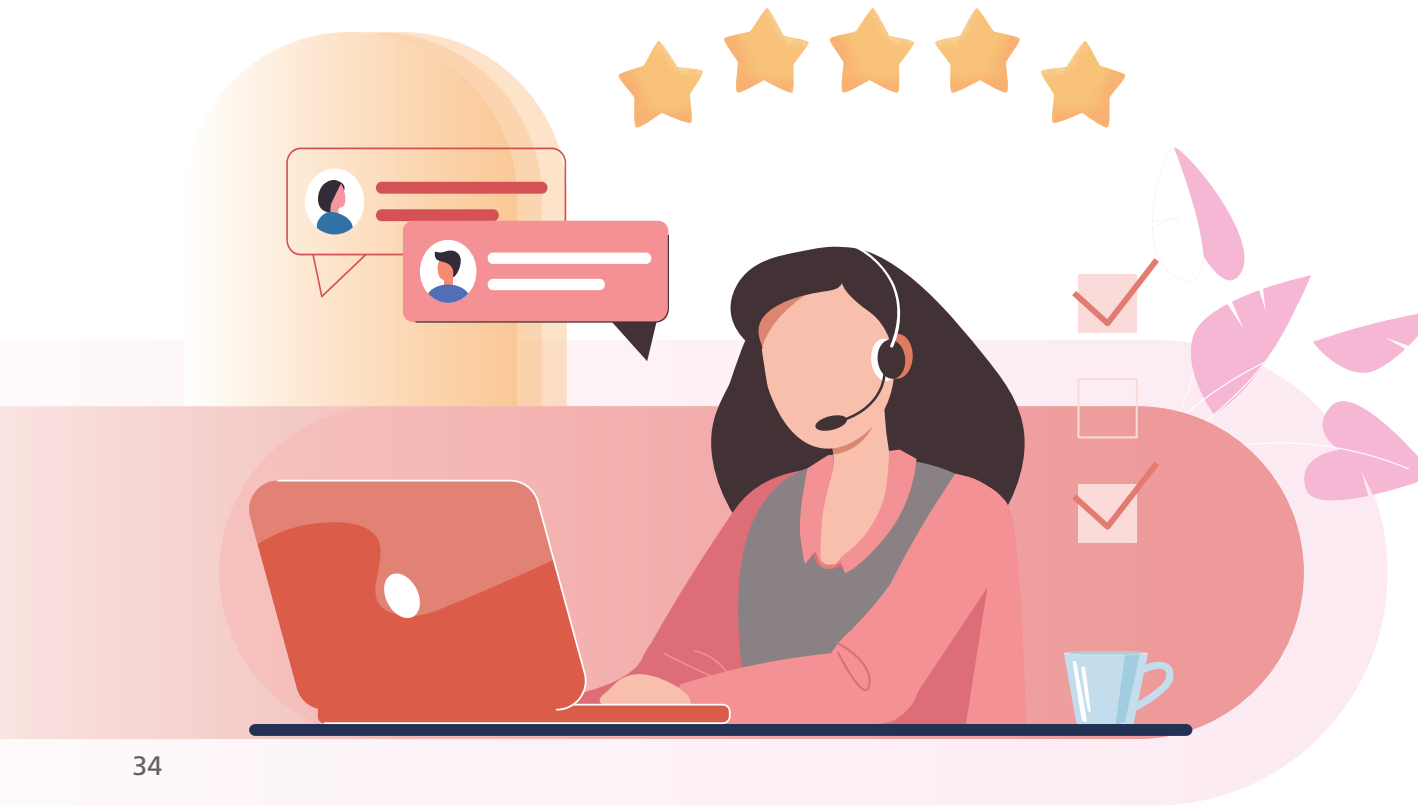
Sustainability Targets	Progress in 2025	Alignment with UNSDGs
Obtain at least one Wastewi$e Certificate and one Energywi$e Certificate under the Hong Kong Green Organisation Certification Scheme in 2025. [1]	**Achieved**	
Obtain at least one Wastewi$e Certificate and one Energywi$e Certificate under the Hong Kong Green Organisation Certification Scheme in 2026. [1]	**Extended Target**	
Conduct a retro-commissioning project for Hongkong Electric Centre in 2025. [1]	**Achieved** The retro-commissioning works for the 4/F of the Hongkong Electric Centre were completed in 2025. The project has been expanded to cover the 3/F and is scheduled for implementation in 2026.	
Involve 140,000 participants in green education activities in 2025. [1]	**Achieved**	
Involve 170,000 participants in green education activities in 2026. [1]	**Extended Target**	
Conduct a bird survey in LPS in 2025 spanning summer and winter to assess and enhance biodiversity conservation efforts.	**Achieved**	
Reuse at least 5,000 litres of the used turbine oil from the retired units in other generating units and equipment in 2025. [1]	**Achieved**	
Recover at least 5,000 m^3 of rejected water by the Brine Recovery Reverse Osmosis ("BRRO") System in 2026.	**New Target**	



Serving Hong Kong

Sustainability Targets	Progress in 2025	Alignment with UNSDGs
Maintain a safe and reliable electricity supply [1]: - Maintain a yearly supply reliability rating of better than 99.999%.	**Achieved**	
Alleviate the impact on reliability of fuel supply and the pressure on electricity tariffs due to volatility in global fuel market [1]: - Continue to source worldwide cost-competitive fuels of suitable quality to meet fuel demand.	**Achieved**	
Deploy smart meters [1]: - Complete full-scale smart meter deployment by 2025.	**Achieved**	
Promote electrification to improve energy efficiency and reduce carbon emissions [1]: - Support 100 construction sites to use grid-electricity supply to replace diesel generators during the period from 2024 to 2028. - Support 20,000 parking spaces to install EV charging-enabling infrastructure during the period from 2024 to 2028. - Support 500 businesses to adopt energy-efficient electrical equipment for business operations during the period from 2024 to 2028.	**In Progress** From 2024 to 2025, 40 construction sites were supported to adopt grid-electricity supply to replace diesel generators, about 15,000 parking spaces were supported to install EV charging-enabling infrastructure and 199 businesses were supported to adopt energy-efficient electrical equipment for business operations.	
Provide free energy audits for non-residential customers and subsidies to building owners for implementing energy efficiency enhancement projects [1]: - Complete 1,000 audits and subsidise 500 buildings during the period from 2024 to 2028.	**In Progress** From 2024 to 2025, 426 free Smart Power Energy Audits were completed and subsidies for 354 buildings were approved.	
Complete at least 200 audits under Smart Power Energy Audit in 2025, particularly for NGOs, schools and SMEs. [1]	**Achieved**	
Complete at least 200 audits under Smart Power Energy Audit in 2026, particularly for NGOs, schools and SMEs. [1]	**Extended Target**	
Confirm the subsidies for energy efficiency enhancement projects of at least 100 buildings in 2025, including residential buildings, commercial buildings, NGO buildings and schools. [1]	**Achieved**	
Confirm the subsidies for energy efficiency enhancement projects of at least 100 buildings in 2026, including residential buildings, commercial buildings, NGO buildings and schools. [1]	**Extended Target**	

Sustainability Targets	Progress in 2025	Alignment with UNSDGs
Fulfil all our customer service pledges, embracing supply reliability, speediness of provision of supply and other customer services, including emergency services, in 2025. [1]	Achieved	
Fulfil all our customer service pledges, embracing supply reliability, speediness of provision of supply and other customer services, including emergency services, in 2026. [1]	Extended Target	
Further expand the Plant Ownership Programme at LPS by adding at least one new project in 2025 to enhance plant reliability and availability, and to facilitate development of young engineers. [1]	Achieved	
To execute at least one new project at LPS under the Plant Ownership Programme in 2026 to enhance plant reliability and availability, and to facilitate development of young engineers. [1]	Extended Target	
Launch a promotion programme on electronic billing and the HK Electric App in 2025 to encourage more customers to switch to electronic services. [1]	Achieved	
Complete as least one new Reliability Centred Maintenance ("RCM") project in 2025. [1]	Achieved	
Complete at least one new Reliability Centred Maintenance ("RCM") project in 2026. [1]	Extended Target	



Working with Partners

Sustainability Targets	Progress in 2025	Alignment with UNSDGs
Ensure employees are paid fairly [1]: - Continue to implement a pay-for-performance policy and ensure timely review.	**Achieved**	
Promote and incentivise health and safety [1]: - Hold at least two webinars and one forum per year - Continue to implement a Safety Excellence Scheme and Safe Driving Incentive Scheme.	**Achieved**	
Achieve a reduction in the Lost Time Injury Frequency Rate in 2025 as compared to the average over the previous three years.	**Not Achieved** The Lost Time Injury Frequency Rate was 0.17 in 2025, which is higher than the average over the previous three years of 0.09.	
Achieve a reduction in the Lost Time Injury Frequency Rate in 2026 as compared to the average over the previous three years.	**Extended Target**	
Achieve a reduction in the Lost Time Injury Severity Rate in 2025 as compared to the average over the previous three years.	**Not Achieved** The Lost Time Injury Severity Rate was 3.01 in 2025, which is higher than the average over the previous three years of 0.82.	
Achieve a reduction in the Lost Time Injury Severity Rate in 2026 as compared to the average over the previous three years.	**Extended Target**	
Obtain at least three Excellent Class IAQ Certificates under the Government's IAQ Certification Scheme in 2025.	**Achieved**	
Obtain at least three Excellent Class IAQ Certificates under the Government's IAQ Certification Scheme in 2026.	**Extended Target**	
Organise a series of health talks and interest classes to enable our employees to maintain a healthy and balanced lifestyle in 2025.	**Achieved**	
Organise a series of health talks and interest classes to enable our employees to maintain a healthy and balanced lifestyle in 2026.	**Extended Target**	
Build capacity in HK Electric's supply chain [1]: - Hold a Supplier Engagement Seminar in 2026 to enhance suppliers' awareness on GHG emission and other sustainability topics.	**New Target**	

Notes:
[1] Targets for the six particularly focused SDGs, which closely align with our corporate strategies and business priorities, including SDG 7, 8, 9, 11, 12 and 13.
[2] This target on innovation is further quantified for 2026 and replaced by a new target.
[3] This water consumption target refers to freshwater and replaces the previous corporate water-intensity target, providing better reflection of actual resource utilisation.
[4] Our science-based target is in line with the well-below 2°C pathway following the Sectoral Decarbonisation Approach.





Investing for the Future

Running a Sustainable Business

Sharing our Planet

Serving Hong Kong

Working with Partners

Running a Sustainable Business

Overview

At HKEI, our Vision, Missions and Core Values shape our belief that success goes beyond financial performance to creating lasting value for people and the planet. Guided by our Sustainability Policy and Framework, we embed sustainability into every aspect of our operations. By engaging a wide range of stakeholders, including shareholders, employees, suppliers, customers, business partners, communities and government authorities, we strive to create long-term shared value and advance our mission.

Through strategic governance, prudent financial management and operational efficiency, we maintain steady growth and resilience in a rapidly changing environment. In line with the Corporate Governance Code of the Main Board Listing Rules of Hong Kong Stock Exchange, our corporate governance framework uphold high standards of ethics, transparency and accountability, strengthening stakeholder confidence, and supporting sustainable investment and long-term growth.

Innovation and integrity are foundations to our approach. By fostering a culture of innovation, nurturing talent and embracing collaboration, we are well prepared for future challenges. Leveraging technology, we address climate-related risks and opportunities, support vulnerable communities facing rising energy costs, and contribute to a just and inclusive transition towards a low-carbon economy.

Key Corporate Policies

Our corporate policies embody our commitment to responsible business practices across workplace standards, environmental sustainability, community engagement and ethical conduct. To address evolving operational and regulatory requirements, these policies are subject to regular review and approval by the Board, with the support of its committees and Senior Management.

The following key Corporate Policies are available on our corporate website.

Corporate governance policies

- Anti-Fraud and Anti-Bribery Policy
- Board Diversity Policy
- Code of Conduct and its Addendum — Guidelines for Proper Use of Internet and Social Media
- Director Nomination Policy
- Holder of Share Stapled Units Communication Policy
- Information Security Policy
- Personal Data Privacy Policy
- Policy on Inside Information and Securities Dealing
- Whistleblowing Policy

Sustainability policies

- Sustainability Policy
- Anti-harassment Policy
- Biodiversity Policy
- Code of Practice for Suppliers
- Complaints Handling Policy
- Corporate Security Policy
- Customer Services Policy
- Environmental Policy
- Health & Safety Policy
- Human Rights Policy
- Learning and Development Policy
- Media, Stakeholder Engagement and Community Investment Policy
- Quality Policy
- Sustainable Procurement Policy
- Workforce Diversity Policy

Sustainable Long-term Growth

We are dedicated to excelling in the power business and supporting Hong Kong's sustainable development by delivering safe, reliable, clean and affordable electricity. In the face of the climate change, we are committed to reducing greenhouse gas emissions. In collaboration with the Government, we are exploring effective pathways towards achieving carbon neutrality for Hong Kong.

To drive our long-term growth, we are guided by three core strategies that create lasting value for our investors while advancing sustainability across the power sector.

World-class Power for a World-class City

We recognise that a highly reliable electricity supply is essential to sustaining Hong Kong's economic growth and prosperity. At the same time, we are embracing innovation and advanced technologies to reduce environmental impact and support the city's transition into a green and smart city in which its citizens enjoy a high quality of life. We are investing in decarbonisation initiatives, including increasing gas-fired generation and RE, with a target to phase out coal-fired power generation by 2035.

With the full deployment of smart meters completed in 2025, customers are now enabled to monitor and manage their energy use more effectively. We also continue to promote energy efficiency and conservation ("EE&C"), renewable energy adoption in the community and the wider use of electric vehicles.

Steady Growth in our Asset Base

We remain committed to making pragmatic investments in power generation, transmission and distribution that aligns with our goals of maintaining supply reliability, enhancing operational efficiency and customer services, and conserving the environment through low-emission energy sources. These investments strengthen our asset base, which in turn generates stable and growing returns for our long-term investors. In alignment with the Government's goal of achieving net-zero electricity generation in Hong Kong before 2050, we are making considerable progress towards decarbonising our business by prioritising coal-to-gas transition and exploring more sustainable energy sources. Our efforts include close collaboration with the Government and other strategic partners to facilitate zero-carbon energy imports from the Chinese Mainland, an essential step in diversifying our energy mix and advancing our sustainability goals.

Prudent Financial Management and Efficient Operations

We embrace the principles of prudent financial management and maintain an optimal capital structure with strong liquidity. By striving for operational efficiency and rigorously managing costs, including fuel expenses, we ensure electricity remains affordable for our customers while delivering sustainable returns to our investors. These practices position us to navigate market challenges effectively and support long-term value creation.

Corporate Governance

HKEI is committed to upholding the highest standards of corporate governance through well-established policies and practices. Under a robust governance framework, we adhere to core values of integrity, accountability, transparency, diversity and sustainability, ensuring these principles are embedded in our daily operations. Through strict compliance and continuous improvement, HKEI refines our governance practices in line with global sustainability trends to build a better future for the next generation. In 2025, there were no instances of material non-compliance with laws and regulations. There were also no ongoing or concluded legal cases regarding corrupt practices brought against the Group or its employees.



Corporate Governance Structure

The Board plays a central role in ensuring HKEI's long-term strategic alignment by establishing and overseeing the governance framework. It is responsible for setting the strategic direction and ensuring accountability and sustainability across the organisation. Supported by standing committees, the Board reviews and guides management decisions to ensure that operations align with HKEI's objectives. While it retains oversight of the Group's operational, financial and sustainability performance, day-to-day management is delegated to the executive team, led by the CEO. The CEO actively participates in climate-related strategy-making, ensuring the integration of climate considerations into strategic planning and monitoring the implementation of initiatives, including projects under Development Plans. To strengthen governance capacity, ESG and climate-related training is also provided to Directors. The Board further enhances its leadership through open communication with shareholders and active engagement with other stakeholders.

Recognising the importance of climate governance, the Board ensures that its members are equipped with the qualifications and competencies required to oversee climate-related strategies. Our board members are involved in the climate-related strategy making process and they maintain a balanced mix of skill sets, experience, expertise and diverse perspectives, enabling them to effectively oversee business strategies, including those related to climate-related risks and opportunities. For further details on the skills and competencies of our Board, including its diversity profile and the Board Performance Evaluation, please refer to our Annual Report.

The Sustainability Management Committee, chaired by the CEO, meets quarterly to monitor progress and lead sustainability efforts, while the Corporate Development Division coordinates HKEI's sustainability- and climate-related initiatives. Executive remuneration for full-time Executive Directors and the Management Team is structured to drive long-term value creation. A portion of variable remuneration, comprising performance-based bonuses, is directly linked to the achievement of sustainability performance metrics and targets. These include progress against the climate-related target of reducing carbon emissions per electricity unit sold. These are aligned with the HKSAR Government's Hong Kong's Climate Action Plan 2050, as well as broader goals in environment, health, safety and other strategic priorities. Performance outcomes are assessed by the Board with reference to the Group's financial, operational and sustainability performance.

Board Training

HKEI prioritises providing its directors with necessary trainings and resources. These programmes cover key areas such as sustainability, climate-related risks and opportunities, corporate governance, business ethics and legal and regulatory developments. Directors additionally receive regular updates on HKEI's business performance to remain fully informed and prepared for effective decision-making. Further details are available in our Annual Report.

Board Committees

The Board is supported by the Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee. Each plays a vital role in different aspects of governance, including policy development, strategy formulation and financial oversight, while ensuring effective risk management and compliance with applicable laws and regulations. Regular communication between the committees and the Board ensures alignment with HKEI's strategic priorities and fosters a cohesive approach to governance. For more information, please refer to our Annual Report.



2025 Annual General Meeting



Business Ethics and Integrity

HKEI is committed to upholding the highest standards of ethics and integrity in every aspect of our operations. To safeguard fair, transparent and accountable decision-making, we have established robust controls and frameworks that apply across all levels of the organisation. Our comprehensive Code of Conduct underpins ethical behaviour and is binding on the Board of Directors, executives and employees, thereby protecting both individual and corporate integrity.

In October 2025, we established the Fraud Risk Management Framework, which provides a structured approach to managing fraud risks across the Group. The Framework clearly defines roles, responsibilities and procedures for identifying, assessing and mitigating fraud risks. Its primary purpose is to guide the organisation in addressing fraud risks effectively, while fostering a culture of integrity and ethical conduct that aligns with the Group's values and commitments.

To further strengthen ethical practices, each business unit conducts anti-fraud and anti-bribery risk assessments twice a year, with any incidents of fraud, bribery or corruption reported quarterly to the Internal Audit Department. In 2025, 14 business units underwent thorough anti-fraud and anti-bribery risk assessments to evaluate fraud and corruption risks. This process ensures that high-risk areas, such as procurement, are prioritised in our internal audits, which aim to identify fraud risks and enforce anti-fraud controls.

We also extend our ethical standards to our business partners. All contracts clearly state our ethical expectations and sustainability requirements, which are incorporated into tender documents. In addition, suppliers and contractors are required to comply with our Code of Practice for Suppliers, ensuring that they uphold the same principles of integrity and ethical conduct in their operations.

Guidance on Business Ethics

To reinforce our commitment to the highest standards of ethics and integrity, we have established guidance that outlines clear moral expectations in key areas such as anti-corruption, respecting human rights and whistleblowing. These guidelines are accessible to all employees, supported by regular training to strengthen awareness, understanding and practical application.

- **Code of Conduct –**
  Sets out our core ethical principles and expected standards of behaviour, supported by comprehensive human resources policies and procedures for addressing ethical concerns;
- **Anti-Fraud and Anti-Bribery Policy and Fraud Prevention and Awareness Policy –**
  Supported by a biannual anti-fraud and anti-bribery control assessment to minimise exposure to fraud and bribery risks;
- **Human Rights Policy –**
  Affirms our commitment to respecting human rights and encourages stakeholders to uphold these principles throughout our value chain;
- **Intellectual Property Policy and Copyright Guidelines –**
  Protect our intellectual property while respecting the rights of others;
- **Whistleblowing Policy –**
  Provides channels and guidance for employees and other stakeholders to report incidents of suspected impropriety, misconduct or malpractice; and
- **Code of Practice for Suppliers –**
  Encourages suppliers to uphold high standards of business conduct related to ethics and governance, human and labour rights, health and safety, environmental protection and climate action, physical and information security and use of internet facilities and social media.



To foster a strong culture of integrity, we provide anti-corruption training for Board members and employees. New hires are required to attend an Orientation Programme covering our Code of Conduct, fraud prevention, bribery awareness and our Whistleblowing Policy. Consequently, nearly 100% of employees have received anti-corruption training.

Year-round Compliance Trainings

Integrity in the Workplace e-Training

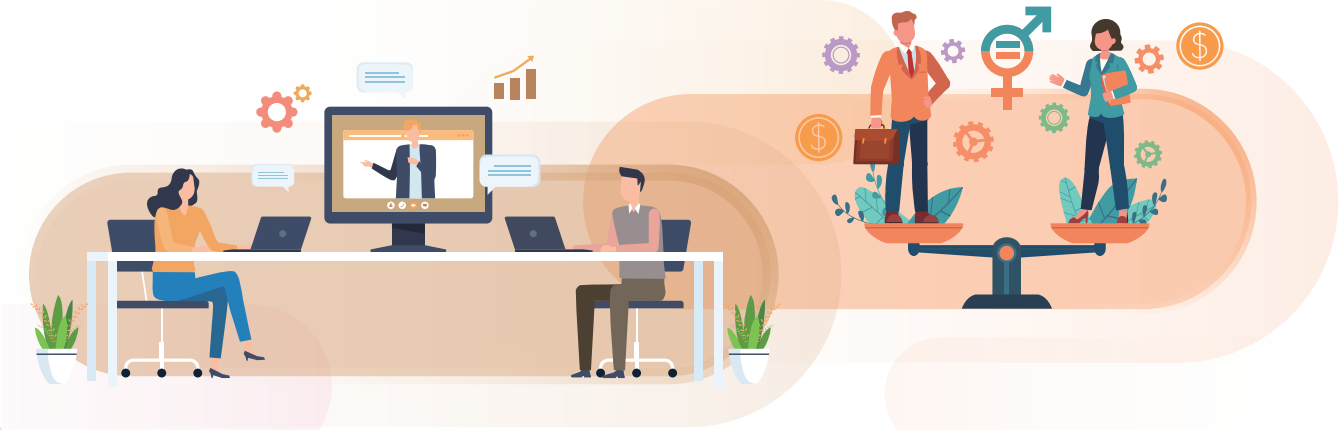
More than 1,500 employees completed the web-based training "Integrity in the Workplace: Say 'No' to Corruption and Fraudulent Activities". Leveraging ICAC educational videos and a follow-up quiz, the training strengthened employees' understanding of common corruption and fraudulent practices.

Anti-discrimination Ordinances Webinar

To further enhance inclusiveness and equal opportunities, **over 180 employees** attended two webinars on Anti-discrimination Ordinances, which improved participants' understanding of statutory requirements and the Group's relevant policies.

Anti-discrimination Workshop for Managers

More than 80 managers participated in four workshops on Anti-discrimination Ordinances, which equipped people managers with practical skills to apply anti-discrimination principles, proactively manage employee interactions and ensure compliance with applicable ordinances.



Whistleblowing

HKEI is committed to maintaining the highest standards of honesty, openness and accountability. To support this, we have implemented a comprehensive Whistleblowing Policy that allows employees and external stakeholders — including customers, suppliers, creditors and debtors — to report any suspected misconduct. Our Whistleblowing Policy is easily accessible in local languages on our Corporate Intranet Portal and corporate website, encouraging employees, suppliers, customers and other stakeholders to report any suspected misconduct. Our dedicated whistleblowing channel is available round the clock.

The Audit Committee is responsible for overseeing the effectiveness of this mechanism and conducts regular reviews to ensure it remains relevant and robust. In 2025, we received three whistleblowing reports, one of which involved a confirmed breach of the Code of Conduct. There were no convictions related to discrimination, harassment, violations of personal data privacy, corruption, money laundering or insider trading during the year.

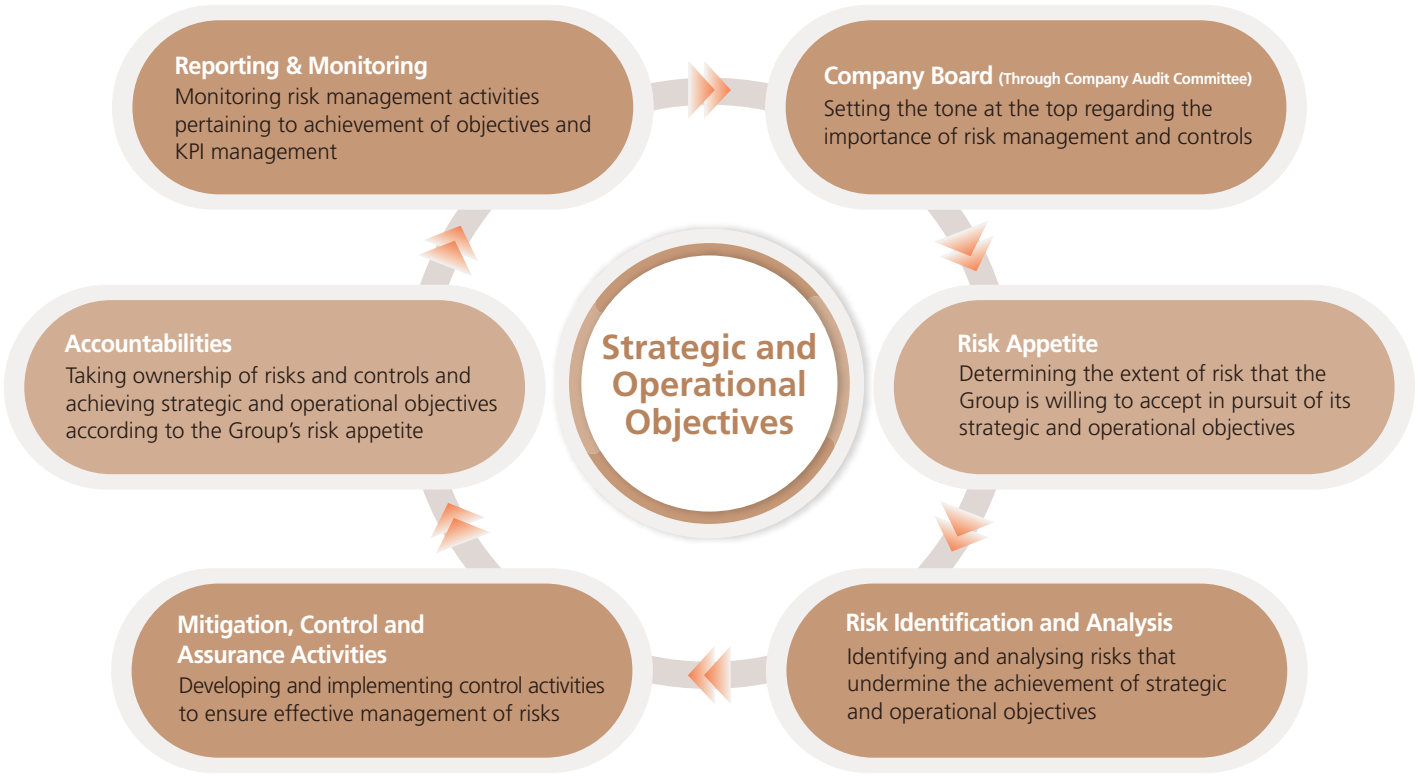
Risk Management

Risk management at HKEI begins at the Board level and extends across all operational units of the organisation. Our Enterprise Risk Management ("ERM") Framework adopts a dual top-down and bottom-up approach to identify, assess, prioritise, mitigate and monitor business, financial, operational and compliance risks. Risk management is fully embedded into our day-to-day activities to ensure resilience across the organisation.

The risk identification process considers internal and external factors such as economic, political, social, technological, environmental, legal and regulatory changes, Group strategy and stakeholder expectations. Risks are grouped into categories to facilitate management, and each is assessed against likelihood and impact in line with the Board-approved risk appetite. Impacts are evaluated across dimensions including financial, health and safety, environmental, reputational, regulatory, customer service, reliability, organisational and employee engagement, with levels ranging from insignificant to very substantial. Likelihood is rated from rare to almost certain, and together these determine the overall risk rating, which guides risk prioritisation and management. Action plans are developed to mitigate key risks, supported by reviews of control mechanisms and evaluations of their effectiveness.

To ensure business continuity and effective emergency response, HKEI has established a Crisis Management Plan ("CMP"), complemented by contingency plans for individual business units. A dedicated Crisis Management Team is prepared to activate the CMP when needed, and routine drills are conducted to test and enhance our preparedness. These measures ensure that our teams are equipped to manage potential emergencies effectively and safeguard operational resilience.

HKEI'S RISK MANAGEMENT PROCESS



ESG Risk and Opportunity Management

HKEI's commitment to sustainability begins at the top, with the Board setting the risk appetite for effective ESG risk management. We adopt a structured and proactive approach to identifying, assessing, prioritising and responding to ESG risks and opportunities, particularly climate-related aspects that may impact our long-term strategy and operations. Our Register of ESG Risks and Opportunities is reviewed regularly on a biannual basis by the Sustainability Management Committee and Sustainability Committee.

ESG Risk and Opportunity Management

Governance for Effective ESG Risk and Opportunity Management

HKEI has established a robust governance structure to ensure the effective management of ESG risks and opportunities. Our commitment to sustainability cascades from the top of the organisation. The Board is accountable for the overall sustainability strategy, management, performance, and reporting, including ESG risk and opportunity management.

Identification of ESG Risks and Opportunities

HKEI adopts a combined top-down and bottom-up approach to identifying ESG risks and opportunities on an ongoing basis to enable the company to capture new and emerging trends. Multiple approaches are used, including megatrend analysis, stakeholder engagement and materiality assessment ("SEMA"), as well as peer analysis and benchmarking, to identify risks and opportunities that may impact the achievement of the Group's corporate and sustainability strategies and business objectives. To obtain a holistic view of the potential impacts associated with climate change, a climate-scenario analysis is conducted to identify and analyse climate-related risks and opportunities with various hypothetical climate conditions that could affect the Group's business model and value chain. For more details about the analysis, please refer to the Climate Scenario Analysis section.

Assessment and Prioritisation of ESG Risks and Opportunities

Identified ESG risks or opportunities are analysed and prioritised on a biannual basis. Material risks are evaluated based on likelihood and impact in accordance with the risk appetite set by the Board. Material opportunities are assessed qualitatively by departments/business units based on their significance to the Group's operations and development. This process enables us fully to understand the ESG-related impacts, including climate-related aspects, of the internal and external environment on our corporate sustainability strategies and objectives.

Implementation of ESG Risk and Opportunities Responses

The designated owners of each ESG risk or opportunity are responsible for implementing measures or action plans and reporting their progress. Appropriate responses should be selected based on factors such as cost, benefit and risk appetite. Relevant measures for climate-related risks and opportunities are developed and monitored continuously. For example, to address physical risks, climate resilience is embedded in our infrastructure through regular assessments of extreme weather impacts.

Review and integration of ESG Risks and Opportunities

HKEI takes full ownership of risk response and opportunity capture, ensuring accountability in adhering to the established risk appetite. The Corporate Development Division, with support from the Internal Audit Department, coordinates with designated owners and stakeholders to conduct a biannual review to ensure continual monitoring. After the Risk Management Committee's review, significant ESG risks are incorporated into the Top Corporate Risk Register for reporting to Audit Committee.

Climate-related Disclosures

The global shift to a low- and zero-carbon economy presents both challenges and opportunities for HKEI. As part of our ESG risk and opportunity management process, we identify, assess and manage climate-related risks and opportunities with reference to local and global best practices. In 2023, we completed a scenario analysis to evaluate how climate-related risks and opportunities may evolve under high-emission and low-emission scenarios and to determine their materiality to our operations and value chain. For further details about the analysis, please refer to the Climate Scenario Analysis section.

Climate Action for Sustainability

Understanding HKEI's Climate-related Risks and Opportunities

Category	Description	Time Horizon [1]	Value Chain	Effect on Business Model and Value Chain and HKEI's Management Approach
Climate-related Physical Risks				
Acute 	Acute risks refer to increased severity of extreme weather events, such as coastal or riverine flooding, surface water flooding, typhoons, extreme winds and forest fires.	Short-term 	Business & Operation	Acute physical risks can disrupt our operations by damaging infrastructure, causing power outages and interrupting supply chains. These events may lead to higher recovery costs and potential litigation and reputational impacts that may harm customer trust. As climate change intensifies, acute physical risks are expected to increase the need for investment in resilient infrastructure and result in higher operational costs due to more frequent recovery efforts.
Chronic 	Chronic risks refer to longer-term shifts in climate patterns, such as sea-level rise and extreme heat.	Long-term 	Business & Operation	Rising sea levels and extreme heat are increasing maintenance requirements and operational challenges, leading to higher operating costs and greater reliance on contingency measures. Intensifying chronic risks are expected to require increased investment in adaptation measures and to drive higher long-term operational costs.

Category	Description	Time Horizon [1]	Value Chain	Effect on Business Model and Value Chain and HKEI's Management Approach
Climate-related Transition Risks				
Policy and Legal	Climate-related policies such as carbon emission limits, carbon taxes and energy efficiency requirements may affect operations and increase costs. The financial impact depends on the scope and timing of policy changes. An inadequate response to these requirements could also increase litigation risk.	Long-term	Upstream, Business & Operation	Stricter environmental regulations, including carbon emissions limits and taxes, could lead to higher capital expenditures, operating expenses and fuel costs. Compliance with these evolving requirements increase upward pressure on overall operational costs. As climate-related regulations continue to tighten over the long term, we anticipate greater financial pressure that will require investment and may impact cost recovery mechanism, compliance strategy and long-term capital planning.
Technology	Technological advancements driving low-carbon transition and energy-efficient economy can significantly affect organisations, potentially leading to "creative destruction" where new technologies displace old systems and disrupt parts of the existing economic structure.	Medium-term	Business & Operation	The adoption of decarbonisation technologies, such as green hydrogen, may require significant investment for feasibility studies, workforce training and the retrofitting of existing generating units, which may increase implementation costs and project execution risks. Rapid technological change and rising expectations for low-carbon solutions may increase pressure to adopt new technologies within shorter timeframes. This may lead to greater uncertainty regarding technology readiness, higher upfront costs and more complex system integration.

Category	Description	Time Horizon [1]	Value Chain	Effect on Business Model and Value Chain and HKEI's Management Approach
Market 	Changes in market conditions arising from climate change primarily manifest through shifts in supply and demand of certain commodities, products and services, as market participants increasingly factor in climate-related risks and opportunities into their decision-marking.	Short-term 	Upstream, Business & Operation, Downstream	Growing stakeholders' expectations, including those of government entities, NGOs and consumers, to promote low-carbon solutions may increase marketing and operational costs associated with decarbonisation initiatives and customer engagement. Shifting market preferences toward renewable energy and electrification may require changes in service offerings, as well as additional investment in digital platforms and grid flexibility, which may increase costs and execution complexity.
Reputation 	Evolving perceptions among customers and communities regarding an organisation's commitment to, and progress in, the transition to a low-carbon economy can be a significant source of climate-related reputational risk.	Medium-term 	Business & Operation, Downstream	Rising public expectations for low-carbon products and climate action may increase scrutiny of company's reliance on fossil fuels, potentially eroding stakeholders' trust and investor confidence and influencing the level of support from NGOs and the wider community. Insufficient progress in demonstrating a transition to low- and zero-carbon energy could intensify reputational pressures and reduce stakeholders' confidence, thereby increasing the urgency for decarbonisation.

Category	Description	Time Horizon [1]	Value Chain	Effect on Business Model and Value Chain and HKEI's Management Approach
Climate-related Opportunities				
Infrastructure resilience	We can strengthen infrastructure resilience by reinforcing power assets and adopting adaptive strategies to withstand extreme weather events, thereby ensuring reliable service and reducing operational risks.	Medium-term	Business & Operation	Continued investment in infrastructure resilience is improving supply reliability and reducing exposure to extreme weather-related disruptions across our operation. Further resilience measures are expected to enhance operational continuity, reduce recovery time and costs and support long-term service stability.
Policy-driven investment	Evolving government climate policies can accelerate investment in zero-carbon energy solutions and supporting infrastructure, enabling sustainable growth and enhancing readiness for Hong Kong's low-carbon economy.	Long-term	Business & Operation	Policy support and evolving decarbonisation requirements are driving us to invest in low-carbon infrastructure. Future policy developments are expected to create opportunities for us to expand our low-carbon assets while maintaining a reliable electricity supply.
Innovative technology	Advancing innovative technologies that address challenges in the low- and zero-carbon energy transition presents us with opportunities to enhance operational efficiency, improve grid flexibility and support stable integration of cleaner energy sources.	Medium-term	Business & Operation	Ongoing technology development is enabling us to enhance operational efficiency, strengthen grid flexibility and support the integration of cleaner energy sources across its operations. Emerging digital platforms, smart systems and advanced energy technologies are expected to create new opportunities for customer engagement and to promote energy efficiency and low-carbon lifestyles.

Note:

[1] Time horizons are defined as short-term (<1 year), medium-term (1-5 years) and long-term (>5 years).

Addressing climate-related risks and opportunities through our Development Plan

HK Electric is making substantial investments in energy infrastructure through our current Development Plan, allocating HK$22 billion for the 2024-2028 period to modernise assets and strengthen climate resilience. This plan covers generation, transmission and distribution, renewable energy and customer-focused initiatives, addressing the climate-related physical risks, transition risks and opportunities.

Summary of current and anticipated investment and other costs

Generation assets

Current capital investment [1]
HK$2,010 million

Anticipated capital investment [2]
HK$7,069 million

HK Electric is undertaking significant investments to accelerate the coal-to-gas transition and reduce exposure to transition risks associated with carbon-intensive generation. Key initiatives include the construction of gas-fired unit L13, open-cycle gas-turbines ("OCGTs") re-provisioning and system upgrades at LPS.

Relevant climate-related risks and opportunities: physical risks, transition risks and opportunities.

Transmission and distribution assets

Current capital investment [1]
HK$1,802 million

Anticipated capital investment [2]
HK$5,570 million

HK Electric is enhancing system resilience to safeguard reliability under extreme weather conditions and to enable operational efficiency. These initiatives include the deployment of smart meters, upgrades of control systems, flood-control measures, typhoon protection, substation improvements and grid automation.

Relevant climate-related risks and opportunities: physical risks, transition risks and opportunities.

Provision for decommissioning costs [3]

HK$125 million

HK Electric has estimated the future costs required for dismantling retired or retiring generating units and associated common facilities. These provisions ensure financial preparedness for decommissioning obligations. Actual expenditures are monitored as decommissioning activities progress. In 2025, HK$55 million was utilised for these activities. [3]

Relevant climate-related risks and opportunities: transition risks.

Feed-in Tariff Scheme and Renewable Energy Certificates [4]

HK$51 million

HK Electric has recognised costs for the Feed-in Tariff Scheme (net of proceeds from the sale of Renewable Energy Certificates). These expenditures reflect our commitment to promoting local renewable energy development and encouraging individuals and businesses to adopt solar and wind energy in their daily lives.

Relevant climate-related risks and opportunities: transition risks and opportunities.

Smart Power Building Fund and Smart Power Education Fund

Current investment [5]

HK$30 million

Provision of fund [6]

HK$60 million *(short-term)*
HK$90 million *(medium-term)*
HK$120 million *(long-term)*

HK Electric has allocated resources to subsidise building energy efficiency projects and promote low-carbon lifestyles through education initiatives.

Relevant climate-related risks and opportunities: transition risks and opportunities.

Notes:

[1] Current capital investment was included in the "Property, plant and equipment" of the Consolidated Statement of Financial Position of the Trust and of the Company. For details, please refer to our Annual Report.

[2] HKEI is unable to provide capital investment figures beyond the current Development Plan which is up to 2028 because capital expenditures of HKEI are subject to the HKSAR Government's approval.

[3] Provision for decommissioning costs was included in the "Other non-current liabilities" of the Consolidated Statement of the Financial Position of the Trust and of the Company. For details, please refer to our Annual Report.

[4] Feed-in Tariff Scheme and Renewable Energy Certificates were included in the "Direct costs" of the Consolidated Statement of Profit or Loss of the Trust and of the Company. For details, please refer to our Annual Report.

[5] Current investment under the Smart Power Building Fund was included in the "Direct costs" while the Smart Power Education Fund was included in the "Other operating costs" of the Consolidated Statement of Profit or Loss of the Trust and of the Company respectively. For details, please refer to our Annual Report.

[6] Under SCA, HKEI is entitled to recover its operating costs. Therefore, the provision of fund does not have effects on the Group's financial performance. The long-term projection is derived up to 2033, as HKEI is unable to provide figures for 2034 and beyond because this timeframe exceeds the terms of the current SCA, which covers 2019 to 2033.

Our Climate Transition Plan

HK Electric has a climate transition plan focused on shifting from coal-fired to gas-fired generation, increasing renewable energy capacity and phasing out coal by 2035. Our long-term objective is to support Hong Kong's carbon neutrality target by 2050 through the adoption of sustainable energy solutions and innovative technologies such as green hydrogen.

Short-term Priorities

- Support the coal-to-gas transition by retiring ageing coal-fired generating units and commissioning gas-fired units to increase local gas-fired generation capacity;
- Maximise the use of the offshore LNG terminal to secure a stable and cost-effective natural gas supply; and
- Promote local renewable energy adoption through Feed-in Tariff schemes and other initiatives to encourage community participation and expand distributed generation.

Medium-term Priorities

- Cease the operation of all remaining coal-fired generating units for daily electricity generation and replace them with cleaner and more efficient technologies;
- Achieve our SBTi-validated target of reducing our Scope 1 GHG emissions per kWh of electricity generated by 68.4% by 2035, compared with 2019 levels;
- Expand local renewable energy capacity and explore complementary clean energy alternatives to build a diversified and low-carbon energy mix; and
- Leverage regional collaboration.

Long-term Priorities

- Align with Hong Kong's goal of achieving carbon neutrality before 2050 by continuously seeking and implementing sustainable energy solutions;
- Actively reduce our carbon footprint and consistently advocate the importance of decarbonisation in our community and beyond; and
- Pioneer and implement innovative zero-carbon energy technologies and solutions, such as green hydrogen for electricity generation.

Progress in Managing Climate-related Risks and Opportunities

HK Electric is advancing its strategy to manage climate-related risks and capture opportunities that support Hong Kong's transition to a low-carbon economy. These efforts focus on core business activities that are most relevant to these risks and opportunities.

Physical Risks

Extreme weather events such as typhoons and flooding, as well as long-term climate hazards including sea-level rise and increasing temperatures, have the potential to affect power generation infrastructure. Based on the Climate Scenario Analysis across both high-emission and low-emission scenarios and time horizons, the impacts of climate hazards on our primary asset, LPS, were assessed and recorded with risk ratings ranging from **"insignificant"** to **"low"**. In addition, various climate-resilience adaptation measures are already in place, such as elevated foundations for generating units and strengthened coastal protection, which have consistently supported stable operations during severe weather. Taking these measures together with the scenario results, the physical vulnerability of LPS is considered low and not material to the Group. For further details, please refer to the Climate Scenario Analysis section.

Transition Risks

Coal-fired generation remains the most significant transition risk due to its high carbon intensity and exposure to evolving policies and reputational pressures. Currently, approximately **31% of electricity sent out** is generated from coal-fired units. To mitigate these risks, we are accelerating the coal-to-gas transition through major investments. We are committed to phasing out coal for daily electricity generation by 2035, in line with Hong Kong's decarbonisation roadmap.

Opportunities

The transition to a zero-carbon economy presents significant opportunities for HK Electric to deliver cleaner energy and engage customers in sustainable practices. Our fuel mix is increasingly aligned with Hong Kong's decarbonisation goals, with approximately **69% of electricity sent out** now generated from gas-fired units and the deployment of smart meters has been completed. We also promote renewable energy adoption through the Feed-in Tariff Scheme and Renewable Energy Certificates, enabling customers to access verified green electricity. In 2025, approximately **13.5 GWh of green electricity** was generated under the Feed-in Tariff Scheme and **over 730 certificates** were issued covering **5.7 GWh**. In addition, initiatives such as the Smart Power Services also support energy efficiency improvements and low-carbon lifestyles. These strengthen customer engagement, enhance operational efficiency and reinforce our role in driving community-wide decarbonisation.

Climate Resilience and Adaptation

To prepare for the severe challenges posed by increasingly frequent extreme weather events by the end of the 21st century, we have implemented robust measures to strengthen our power infrastructure against storms, overtopping waves, flooding and strong winds. We hold biannual cross-divisional review meetings to enhance resilience of critical infrastructure against extreme weather and routinely upgrade power supply systems to ensure optimal performance under extreme conditions.

Adaptation Measures for Climate Resilience

Guideline & Design Standards

- Regularly review and update the "Guideline on Design of Generation and Transmission Facilities to Combat Climate Change" to enhance the climate resilience of infrastructure and facilities; and
- Enhance power infrastructure design standards by making reference to assessment reports of the Intergovernmental Panel on Climate Change ("IPCC"), local meteorological data and local relevant governmental standards and guidelines, ensuring that facilities are planned to withstand future climate conditions.

Enhancement Measures

- Erect flood walls approximately two metres high at key locations at LPS to mitigate the impact of storm surges and overtopping waves;
- Elevate the foundations of newly built gas-fired generating units at LPS, adopting a design specification of +7.0 metres above Principal Datum (PD);
- Retrofit substations with enhanced flood-resilience measures, including bund walls, demountable flood gates, watertight doors, automatic sump pumps, CCTV cameras and multi-stage flood alarm systems to protect critical assets;
- Implement an enhanced surface drainage system at LPS, designed with an added safety margin to accommodate rainfall intensities of up to 240 mm/hr, exceeding the historical maximum of 166 mm/hr;
- Install tidal meters and wind sensors at LPS to monitor tidal level and wind speed;
- Adopt underground and submarine cables for nearly the entire transmission network; and
- Ensure equipment and systems are designed to withstand extreme heat by working with manufacturers to provide fully tropicalised plants and components capable of enduring prolonged high ambient temperatures.



Enhanced flood-resilience measures at substations

Emergency Preparedness

- Maintain robust contingency plans to ensure normal operation of LPS and substations during extreme weather events; and
- Provide extensive training to equip operational staff with the skills and knowledge for effective emergency response through drills.

Innovation

Innovation has long been a cornerstone of HKEI's business philosophy, driving operational excellence and creating stakeholder value. Through the integration of advanced technologies and visionary approaches, we aim to deliver transformative outcomes that support our long-term objectives. Innovation is embedded in our Sustainability Framework and is vital to addressing the dynamic challenges of a rapidly changing environment.

We cultivate a culture of continuous innovation by encouraging employees to explore new ideas, pursue excellence, and embrace breakthrough solutions. At the same time, we collaborate with research institutions, universities and industry partners to strengthen the innovation ecosystem, enabling knowledge sharing and resource exchange that drive progress.

Our CEO-led Innovation Steering Committee plays a central role in embedding innovation across the organisation. The committee focuses on enhancing efficiency, improving performance and elevating customer experience through technologies such as mobile applications, big data and artificial intelligence. Supported by comprehensive policies and programmes, these efforts ensure that innovation is closely aligned with our sustainability ambitions and long-term growth.



Automated Storage and Retrieval System

Innovation Beyond Boundaries:

- 5G Intelligent Steward at Smart Cable Tunnel
- Fish Deterrent System at LPS

Establishing a Culture of Innovation

Innovation lies at the heart of our business strategy. We combine the creativity and commitment of our employees with collaboration from external experts to drive progress. This approach not only enhances our performance in the utilities sector but also fosters a culture of continuous improvement. By integrating external insights with internal expertise, we strengthen climate resilience and embed sustainable practices that benefit both our business and the communities we serve.

The Innovation Steering Committee leads our strategic initiatives, ensuring innovation remains a core priority. Supported by TechWatch Teams, which track emerging technologies and identify opportunities for integration, we continue to expand our innovation capabilities. Through close partnerships with research institutes, universities and startups, we access cutting-edge expertise, enabling us to remain competitive and adaptable in the face of rapid technological change.

To embed innovation across the organisation, Innovation Champions are appointed in each department to promote new ideas and share solutions. Since its launch in 2018, Inno Hub — our online collaboration platform — has generated more than 260 ideas that have been successfully implemented. This platform continues to foster creativity, empower employees and drive meaningful change throughout HKEI.

We recognise that effective sustainability management relies on strong collaboration across functions and disciplines. Our cross-disciplinary Learning Communities and Special Interest Groups, covering areas such as M365, Cybersecurity for Industrial Control Systems ("ICS"), IoT, Python programming, Excel, AI video production and Copilot, provide structured platforms for employees to share insights, explore practical applications of emerging technologies and co-develop knowledge in response to common challenges. These communities and groups help the company develop and maintain shared knowledge and good practices, while also deepening specialist skills and driving innovation through collaboration, thereby strengthening our long-term sustainability performance.

Innovation in Action: 2025 Initiatives

AI-EOS for Chiller Plant Optimisation at Lamma Extension ("LMX")

HK Electric continued advancing smart building technologies at the Administration and Control Building ("ACB") at LMX by completing the second stage of data collection for Measurement & Verification of its Artificial Intelligence Energy Optimisation Solution ("AI-EOS") during the winter season. This system leverages advanced algorithms to optimise chiller plant efficiency, reducing energy consumption and supporting carbon reduction goals. In recognition of its innovation and impact, the project won the Excellent Intelligent Green Building Gold System Award from Asia Pacific Intelligent Green Building Alliance ("APIGBA"), reinforcing HK Electric's leadership in sustainable building solutions.

Distribution Management System Remote Terminal Unit ("DMS RTU")

To address component obsolescence and enable modern grid connectivity, HK Electric has developed a new DMS RTU featuring advanced capabilities such as national-standard encryption and a dual-CPU architecture. The first unit was installed at the Victoria Road Distribution Building Substation in November 2025, with integration testing underway. This initiative strengthens grid reliability, cybersecurity and operational efficiency, ensuring a future-ready distribution network.

First Low-Voltage Direct Current System for Ocean Park

In August 2025, HK Electric commissioned Hong Kong's first Low-Voltage Direct Current ("LVDC") System at Ocean Park, creating a hybrid alternating current/direct current ("AC/DC") microgrid for the "Giant Panda Adventure" exhibit. By leveraging DC technology, the system boosts existing cable capacity to 700 kVA, which is approximately 2.5 times the original and provides backup power to maintain stable operations during supply disruptions. This pioneering project lays the groundwork for wider LVDC adoption in commercial buildings. For more details, please refer to the chapter on Serving Hong Kong.



Building a Resilient Smart Grid — Intelligent Distribution Solution ("IDS")

HK Electric's IDS pilot integrates AI video analytics and edge computing to enhance grid visibility and resilience. The system enables real-time power quality monitoring and hotspot detection, reducing fault detection time and equipment failure risk. During Super Typhoon Ragasa in 2025, the IDS provided AI based detection of abnormal conditions at strategic substations, such as water leakage and seepage. Moreover, IDS enabled remote inspection of internal environmental conditions inside the substations without despatching site staff, thereby significantly improving efficiency of overall emergency response during extreme weather events.



Launch of the Low-Voltage Management System ("LVMS")

In November 2025, HK Electric launched the LVMS, a major milestone in the development of its smart grid, built on the LoRaWAN infrastructure deployed in 2024. LVMS provides continuous visibility of the low-voltage network, contributing to the reduction of Customer Minutes Lost from equipment faults and enabling faster fault detection and supply restoration within the low-voltage network. At its core is the patented Low-Voltage Fault Indicator ("LVFI"), which transmits operational data via LoRaWAN for scalable monitoring. With geo-spatial visualisation and intelligent analytics, LVMS enhances reliability, operational efficiency and resilience in Hong Kong's electricity supply.

Utilising LoRaWAN Technology at LPS

HK Electric has expanded LoRaWAN applications at LPS to strengthen monitoring and security. By late 2025, 250 sensors had been installed for diverse applications, such as temperature monitoring, flood detection, card-reader access control, vibration measurement, energy metering, CO_2 monitoring and soil condition assessment. Temperature and flood sensors in engine rooms enable 24/7 remote surveillance of heat levels and water leakage, while CO_2 sensors at the Fire & Security Building optimise fresh air supply for energy savings. In addition, a LoRaWAN-based clocking system for ferry passengers provides real-time data collection and centralised reporting. Collectively, these cost-effective and scalable solutions enhance operational efficiency and safety and environmental performance.

Establishment of the On-premises AI Powerhouse

HK Electric is establishing an on-premises AI Powerhouse, scheduled for launch in the first quarter of 2026, marking a major step in digital transformation. Built on open-source large language models, the platform enables secure AI-driven analytics, automation and custom-model tuning to enhance efficiency and sustainability. Over 80 ideas were collected from which 20 use cases were shortlisted for feasibility studies. Two use cases are currently under implementation and are expected to be completed by May 2026, reinforcing HK Electric's commitment to innovation and positioning the company at the forefront of AI adoption in the energy sector.




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12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Cultivating a Greener World



Running a Sustainable Business

Sharing our Planet

Serving Hong Kong

Working with Partners

Sharing our Planet

Overview

HK Electric recognises the vital role of the power sector in advancing decarbonisation and supporting the transition to carbon neutrality. We fully support the Government's climate and environmental policies, including its carbon reduction targets. Reducing emissions remains our top priority as we work to combat climate change, improve local air quality, and ensure full compliance with environmental laws and regulations.

Guided by our Environmental Policy, we manage our direct and indirect impacts on climate change, air quality, resource efficiency, waste management and biodiversity. Recently, we have reviewed and revised our Environmental Policy, Sustainability Policy and Biodiversity Policy to enhance our management approaches to combatting climate change, environmental and biodiversity conservation. In 2025, we also strengthened our efforts by introducing a Sustainable Procurement Policy, which promotes responsible sourcing and minimises environmental impacts across our supply chain. All policies are subject to regular review to ensure their continued relevance and effectiveness.

HK Electric's Environment Committee ensures that environmental considerations are fully integrated into business planning and operations. Climate-related and other environmental risks and opportunities are incorporated into our risk management process. We mitigate potential impacts through systematic assessments, monitoring and audits, supported by tailored mitigation measures.

Our Environmental Management Systems are certified to ISO 14001, and cover 100% of our operations in power generation, transmission and distribution and infrastructure development. At Lamma Power Station ("LPS"), there is also an Energy Management System certified to the International Standard ISO 50001. Implementation of these systems are monitored through regular third-party surveillance audits. In 2025, we developed 65 management plans with measurable targets to drive continued improvement in environmental and energy outcomes.

Circular-economy principles are embedded in our operations by promoting resource efficiency, waste management and the sustainable use of materials and water. We continue to optimise water use through conservation measures and recycling initiatives across our facilities. We also collaborate with suppliers, contractors and other business partners to promote environmental stewardship across the value chain, and we work closely with the Government and NGOs to deliver environmental education campaigns, services and funding schemes.



The Eco-Carbon Bridge at LPS reflects our support of Hong Kong's low-carbon transition.

Climate Action and Clean Air

Management Approach

HK Electric is committed to supporting Hong Kong's transition to net-zero electricity generation and carbon neutrality by 2050. Our Environmental Policy guides our approach to climate action, including the phased retirement of coal-fired generation, expansion of gas-fired and renewable energy sources, exploration of zero-carbon energy solutions and facilitation of community-wide decarbonisation efforts.

We also maintain strong climate governance and disclosure practices. Our GHG emissions inventory, prepared in accordance with the GHG Protocol and ISO 14064, covers Scope 1, 2 and 3 emissions. We actively monitor and manage both physical and transition risks to enhance climate resilience and ensure a reliable power supply. We also annually assess our performance through responding to the CDP Climate Change survey, supporting ongoing improvement. Details of our climate strategies are available in the chapter Running a Sustainable Business.



Partnership for Carbon Neutrality

HK Electric collaborates with strategic partners to advance collective efforts toward climate resilience and carbon neutrality.

INITIATIVES	INITIATOR
Carbon Neutrality Partnership	
Energy Saving and 4T Charters	The Government of the HKSAR
Carbon Reduction Charter	
Net-zero Carbon Charter	Business Environment Council
Advancing Net-Zero Programme	Hong Kong Green Building Council
Sustainable Construction Charter	Construction Industry Council
Carbon Neutrality & Sustainable Development Goals Charter	Hong Kong Inheritage Foundation
Asian Corporate Coalition for Climate Change Resilience	World Green Organisation

Decarbonising Power Generation



Hong Kong Offshore Liquefied Natural Gas Terminal

Playing a key role in supporting the Government's decarbonisation targets for Hong Kong, HK Electric continues to advance the transition from coal to natural gas. Since 2020, the share of gas-fired generation in our fuel mix has steadily increased, driven by the commissioning of Units L10 in 2020, L11 in 2022 and L12 in 2024. In parallel, we have been phasing out aged coal-fired units since 2017 as part of our broader transformation of generation portfolio. According to the latest available information, Hong Kong's total GHG emissions in 2024 decreased by 1.3 million tonnes as compared to that of the previous year. During the same period, HK Electric's GHG emissions dropped by more than 0.59 million tonnes, contributing to more than 45% of the city's total amount of reduction in GHG emissions. The last remaining coal-fired unit is expected to retire by 2035, enabling us to cease the use of coal for daily electricity generation by that time, in alignment with the Government's decarbonisation plans for the city.

2025 marks the second year of our 2024-2028 Development Plan, with the construction of the new 380-MW gas-fired combined-cycle generating unit L13 progressing as planned. The design of L13 is same as that of the existing units L10 to L12, with an intention to save operation and maintenance costs. Construction of its Main Station Building superstructure commenced in June 2025, with commissioning targeted for early 2029. In 2025, gas-fired generation accounted for around 69% of our electricity sent out in 2025, a share which is expected to increase further to around 80% when L13 becomes fully operational. With appropriate future modifications and repurposing, our gas-fired units are expected to be capable of operating on both natural gas and hydrogen, enabling us to explore the use of green hydrogen as a zero-carbon energy source in Hong Kong.

The existing aged oil-fired open-cycle gas turbines ("OCGTs") used for peak-lopping and emergency operations will be progressively decommissioned and replaced with new units to enhance operational reliability during the energy transition. The new OCGTs will operate on oil with fast start-up capability and will be equipped for future conversion to hydrogen firing to support long-term decarbonisation goal.

HK Electric and CLP Power Hong Kong Limited commissioned an offshore liquefied natural gas ("LNG") terminal in 2023. The facility provides access to international LNG markets, enhancing the stability of gas supply and giving both power companies greater flexibility in fuel procurement. This enables more competitive fuel pricing, delivers benefits to customers and supports Hong Kong's economic development and decarbonisation goals.

In support of the Government's initiatives, we are partnering with key strategic stakeholders to study the potential for importing zero-carbon energy, while upholding power-system security and grid reliability. To facilitate Hong Kong's transition toward greater zero-carbon energy adoption, HK Electric fully supports the ongoing feasibility study for developing new electricity facilities at Tseung Kwan O Area 132.

Driving Growth in Gas-Fired Generation

	2020	2022	2024	2025	2029
Electricity output from gas (%)	~50%	~53%	~68%	~69%	~80%
Milestone	*Commissioning of gas-fired unit L10*	*Commissioning of gas-fired unit L11 and retirement of an old and inefficient gas-fired unit GT57 that was due for replacement*	*Commissioning of gas-fired unit L12*	*Reporting year*	*Commissioning of gas-fired unit L13*

Managing GHG Emissions Responsibly

Commitment and Approach

HK Electric is committed to managing GHG emissions responsibly through a comprehensive inventory and reduction programme. Our annual GHG emissions inventory, covering Scope 1, 2 and 3, is prepared in accordance with the GHG Protocol and the International Standard ISO 14064, and is independently verified.

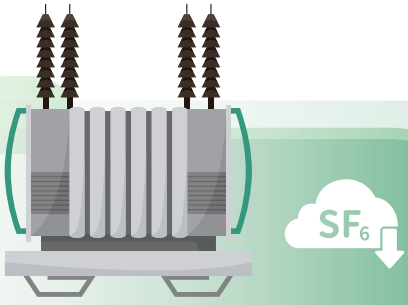
2025 GHG Emissions

Scope 1	Scope 2	Scope 3
83%	0%	17%
5.80 million T of CO_2e	Zero	1.20 million T of CO_2e

To support Hong Kong's decarbonisation goals, HK Electric has set an interim science-based target to reduce Scope 1 emissions per kWh of electricity generated by 68.4% by 2035, using 2019 as the baseline year. This target, validated by the Science Based Targets initiative in 2022, is aligned with the Paris Agreement and reflects our commitment to the pursuit of net zero before 2050.

Strategy for Managing SF_6 Emissions and Exploring Alternatives

Sulphur hexafluoride ("SF_6"), one of the most potent GHG, is widely used in the electricity sector as an insulating medium. While critical for ensuring the safe and reliable operation of high-voltage systems, it poses environmental challenges due to the potential of unintended release into the atmosphere over time.



SHORT-TERM

Implement enhanced operational controls to minimise SF_6 emissions, including reduced gas feeding pressure and replacement of sealing components during maintenance.

MEDIUM-TERM

Gradually adopt SF_6-free alternatives by piloting dry-air switchgear and ester-fluid-insulated distribution transformers in suitable medium-voltage applications. A new type of 22-kV medium-voltage switchgear with dry-air insulation was energised in February 2025.



To further reduce reliance on SF_6, HK Electric is exploring alternatives, energising its first ester-fluid-insulated distribution transformer in December 2025. The technology offers enhanced environmental benefits, including the elimination of fluorinated GHG and the use of a readily biodegradable insulating fluid. Its performance will be monitored to assess long-term suitability for wider application in the network.



FUTURE DIRECTION

Actively explore options of non-GHG insulation technologies for transmission equipment through early design and procurement planning.

For further information on our broader sustainability initiatives, please refer to the chapter Running a Sustainable Business.

Promoting RE, EVs and EE&C

Beyond phasing out coal in favour of natural gas, HK Electric is actively deploying clean energy solutions and energy efficiency measures to support decarbonisation across our operations and the wider community.



Lamma Winds

We own and operate a 0.8-MW wind turbine known as Lamma Winds on Lamma Island. Since its commissioning in 2006, Lamma Winds has played a pioneering role in Hong Kong's renewable-energy journey. As the city's first commercial-scale wind-power project, the wind turbine on Lamma Island quickly became a landmark, demonstrating that wind generation could operate in harmony with the island's natural surroundings. Beyond the clean power Lamma Winds produced over its 20 years of operation, the project created valuable insights and experience that helped advance understanding of wind energy under Hong Kong's unique geographical and weather conditions. Lamma Winds also served as a platform for public engagement and education, helping communities better understand and appreciate renewable energy at a time when it was still relatively new locally. It has helped pave the way for Hong Kong's continued transition toward a more sustainable, low-carbon future. Regrettably, it has reached the end of its service life and ceased operations in the first quarter of 2026. HK Electric has explored a wide range of potential replacement and upgrade options, however, no practicable on-site replacement option was available. With public safety as the foremost priority, decommissioning of the wind turbine is considered the most prudent and timely course of action. We honour the legacy of this pioneering project and look forward to further opportunities for large-scale local RE development.

In addition to the 0.8-MW Lamma Winds, photovoltaic solar power systems installed at LPS and on other company premises brought HK Electric's total installed solar capacity to 2.5 MW as at the end of 2025. Including RE generated by customers under the Feed-in Tariff ("FiT") Scheme, around 16 GWh of green electricity was supplied through HK Electric's power system in 2025.

Promoting the use of electric vehicles ("EVs") continues to be a key strategy for reducing GHG emissions and enhancing local air quality. By the end of 2025, our fleet comprised 191 EVs, representing 57% of all company vehicles. HK Electric promotes EV adoption through its One-Stop Smart Power EV Charging Solution, supporting the installation of EV charging facilities. The company also supports the EV-charging at Home Subsidy Scheme ("EHSS"), with 95 EHSS projects completed in 2025, aiding residential EV infrastructure expansion.

Through our Smart Power Services, we also promote energy efficiency, electrification and low-carbon lifestyle via educational initiatives, funding and service offerings, reflecting our strong commitment to the community.

Reducing Air Emissions in Electricity Generation

HK Electric is committed to minimising emissions of air pollutants from power generation by prioritising the use of cleaner fuels such as natural gas and low-sulphur coal. We adopt advanced control technologies to further reduce emissions of sulphur dioxide ("SO_2"), nitrogen oxides ("NO_x") and respirable suspended particulates ("RSP"). These measures include Selective Catalytic Reduction systems of gas-fired units to reduce NO_x emissions, and low-NO_x combustion technologies, flue gas desulphurisation plants and high-efficiency electrostatic precipitators of coal-fired units.

Through the combined use of cleaner fuels and advanced air pollution control equipment, emissions of SO_2, NO_x and RSP remained well below the caps set by the Government. Looking ahead, we aim to maintain annual emissions of SO_2, NO_x and RSP at or below 0.161, 0.299 and 0.012 tonnes per GWh of electricity sold (T/GWh), respectively.

To assess the impact of emissions on local air quality, we operate six monitoring stations across southern Hong Kong Island and Cheung Chau. Data collected is submitted to the Government and made publicly available on our website. Additionally, RSP monitoring is conducted at the perimeter of LPS.

We also track emissions at source through Continuous Emissions Monitoring Systems and routine stack sampling at LPS, ensuring compliance with Specified Process Licence requirements and established monitoring protocols.

Encourage solar projects

Responsible Environmental Management

Management Approach

HK Electric adopts a holistic environmental strategy centred around four key focus areas, including energy saving, waste management, water conservation and biodiversity conservation. As outlined in our Environmental Policy, Sustainability Policy and Biodiversity Policy, we are committed to conserving resources across our operations and encouraging stakeholders to do the same. We set clear resource-reduction targets for our operations, including lowering electricity, water, paper use and reducing solid wastes. To raise the environmental awareness of our employees, refresher training and talks were conducted throughout the year, covering energy efficiency, water and waste management and sustainable resource use.

Energy Saving

Energy efficiency remains a central priority across our operations. In 2025, we continued to advance energy-saving initiatives through carbon audits and retro-commissioning to assess and enhance the performance of energy-efficient measures. We also upheld our commitments under the Government's Energy Saving Charter and 4T Charter, supported by clear targets, comprehensive progress monitoring. To strengthen long-term efficiency, new developments incorporate green building standards such as BEAM Plus New Buildings.

- Energy Saving and 4T Charters
- Energywi$e Certificate
- Charter on External Lighting

Waste Management

To minimise waste generation and optimise resource use, we apply the 4R principles: Reduce, Reuse, Recover and Recycle. Across our premises, we implement waste separation, recycling programmes and initiatives aimed at reducing paper and solid waste.

- Sustainable Procurement Charter
- Wastewi$e Certificate
- Food Wise Charter
- Food Wise Eateries Scheme
- Green Event Pledge
- Waste Reduction Charter
- Promotion Programme on Source Separation of Waste

Water Conservation

We recognise the risks associated with water stress and are committed to responsible water management by assessing related risks and implementing water-saving measures across our daily operations. Guided by the 4R principles, our approach focuses on reducing, reusing and recycling wastewater where practicable and ensures that effluents are properly treated before discharging.

- Let's Save 10L Water Campaign

Biodiversity Conservation

Recognising the risks of biodiversity loss, we continue to mitigate the impact of our daily operations and new developments on local ecosystems through comprehensive assessments and robust monitoring systems.

- Greening Partner Charter

Partnerships to Protect the Environment

Energy Saving

HK Electric recognises the vital role of energy conservation and has introduced a range of measures across electricity generation, delivery and infrastructure development works, as well as office buildings. We also promote Energy Efficiency and Conservation ("EE&C") among our customers and the wider community through Smart Power Services.



In recent years, we have deployed innovative strategies to reduce auxiliary power consumption by coal-fired units in LPS. These include introducing new energy-saving protocols that enhance the operating efficiency of equipment with high energy demand.

Since buildings contribute significantly to Hong Kong's overall electricity demand, improving energy performance in this area is essential for sustainable development. At HK Electric, we carry out regular energy audits, install smart energy meters and make use of analytical findings to strengthen energy-saving strategies and identify any opportunity for improving EE&C.



Upgrades to selected mechanical ventilation and air-conditioning systems at LPS have reduced electricity use. These efforts were supported by the installation of a Building Management System ("BMS") for enhanced monitoring and control. For the new Administration and Control Building ("ACB") at Lamma Extension ("LMX"), advanced solutions such as an Artificial Intelligence-based Energy Optimisation System ("AI-EOS") for the chiller plant, an Internet of Things ("IoT") system, and a Smart Building Platform were introduced to improve both operational efficiency and maintenance.

Retro-Commissioning ("RCx") Project for the Fire and Security Building at LPS

In 2023, an RCx project was initiated for the Fire and Security Building at LPS, which entered the implementation phase in 2025. The project introduced several energy-saving measures, including the optimisation of chiller water temperatures and operating schedules. These initiatives have resulted in around 22% reduction in electricity consumption compared to that of 2023.

Additionally, improvements to the mechanical ventilation and air-conditioning ("MVAC") systems have been carried out across multiple buildings at LPS, including upgrades to selected chiller plants and standalone air-conditioning units. Energy efficiency was further enhanced through the integration of advanced control and monitoring technologies, such as the BMS.

Water Conservation

We recognise the importance of managing water risks and strive to use water responsibly. To assess water risks, we rely on the WRI Aqueduct Water Risk Atlas, a globally acknowledged tool developed by the World Resources Institute ("WRI"). Our operations are located in regions with water stress levels ranging from low to medium, underscoring the need for responsible water management. Our Environmental Policy provides a framework for optimising water use. We also annually assess our water performance through the CDP Water Security survey, which supports ongoing improvement.

Freshwater is a vital yet finite resource, crucial for economic, social and environmental sustainability. During the year, the Water Resources Workshop jointly organised with Friends of the Earth (HK) aimed to deepen participants' understanding of water as a precious resource. The workshop raised awareness of water resources, availability and hidden usage, while examining global and local risks, threats and pollution affecting water resources. It also introduced purification methods and shared practical insights, encouraging the participants to reduce water consumption and fostered collective responsibility for protecting water resources for future generations.

Driving Sustainable Water Use Within Our Operations at LPS

To alleviate reliance on local freshwater resources, we collect and reuse wastewater for various operational purposes at LPS. Rainwater and process water generated from plant operations are reused for spraying coal piles, conditioning ash piles on barges and producing limestone slurry for the flue gas desulphurisation plants. With the transition from coal to gas, water consumption in our generating units and flue gas desulphurisation plants has significantly decreased. In 2025, over 119,000 m³ of wastewater was collected and reused at LPS, accounting for approximately 10% of the total water consumption in the year.



Collection pits for rainwater and reusable wastewater at LPS

Further efficiency gains have been achieved through the retrofitting of a Brine Recovery Reverse Osmosis ("BRRO") system at one of our demineralisation plants. The two-stage reverse osmosis technology treats high-salinity reject water and recovers approximately 70% of the wastewater for reuse. In addition, on-site wastewater storage and treatment facilities were installed during the construction of our new gas-fired units to support wastewater recycling.

Seawater is used for cooling during generation process. The seawater is returned to the environment at a slightly higher, regulated temperature, in compliance with environmental regulations to minimise ecological impact. We also utilise local municipal water supplies to support our other operations.

Effluent Quality and Regulatory Compliance

Effluent quality is closely monitored in accordance with local licensing requirements. All wastewater at LPS is treated in compliance with local regulations to remove oil, grease, suspended solids and heavy metals. The treated effluent is disinfected before discharge. The effluent discharged from LPS continues to meet local environmental standards, with full compliance achieved in 2025.

Targets and Performance Progress

HK Electric remains on track towards its target of reducing freshwater consumption for power generation at LPS by 7% by 2030, using 2025 as the baseline year. Continuous improvements in water-use efficiency, wastewater recycling and operational controls underpin our ongoing efforts to strengthen water stewardship across our operations.

Waste Management

HK Electric is committed to applying circular-economy principles throughout project lifecycles and daily operations, with a strong focus on minimising material use and reducing waste. We prioritise waste prevention, reduction, reuse and recycling as key strategies for sustainable waste management, and only dispose of residual waste when all other options have been exhausted, ensuring full compliance with relevant laws and regulations. We track waste generation on a monthly basis, assess performance against established targets, identify areas for improvement and take follow-up actions. Additionally, we have set specific targets for reducing paper consumption and waste across our main buildings and office operations. Our commitment to waste management has been recognised with an Excellence Level Wastewi$e Certificate for 19 consecutive years.

Hazardous waste is carefully managed by licensed contractors under a trip-ticket system. We collaborate with a licensed contractor that uses Vibratory Membrane Advanced Treatment ("VMAT") technology to recycle spent mineral oil, cable fluid, and lubrication oil. This process reduces energy consumption and minimises secondary pollution compared to conventional methods, supporting resource recovery and circular-economy principles. In terms of non-hazardous by-products, coal-fired power generation produces significant amounts of ash and gypsum, which we recycle through qualified third parties for use in other industrial applications. As we transition from coal-fired to gas-fired power generation, we expect a gradual reduction in the production of these by-products. During the construction of new gas-fired units at LPS, we have implemented comprehensive waste management measures, in full alignment with Waste Management Plans approved by the Environmental Protection Department ("EPD") of the HKSAR Government, ensuring that all waste is avoided, recovered, reused, recycled, or disposed of responsibly.

"Beat Plastic Pollution" to Support the World Environment Day 2025

In support of the United Nations' World Environment Day 2025, HK Electric hosted a series of activities to raise environmental awareness among employees. With the theme "Beat Plastic Pollution", the campaign engaged over 680 participants through interactive quizzes on plastic recycling and the company's first-ever Barter Event. Around 200 diverse items were collected from employees for exchange, with remaining items donated through charitable organisations or recycled.



HK Electric's Barter Event promotes reuse of resources.





Waste Management

WASTE MANAGEMENT AND RECYCLING INITIATIVES

Operational Resource Reuse

- Recycle waste oil using VMAT technology for secondary use, with more than 126,000 litres collected and processed in 2025.
- Collect and recycle used lead-acid batteries, with around 5,900 kg collected and recycled in 2025.
- Reuse retired oil, including turbine oil from retired units, to lubricate auxiliary equipment, with more than 6,200 litres reused in 2025.

Construction & Facilities Waste Management

- Implement reuse and recycling measures that divert more than 96% of construction waste from landfill in 2025.
- Recover resources across our office buildings, covering a wide range of materials including paper, metals, plastics, used batteries, compact fluorescent lamps and printer cartridges.

Reducing Food & Plastic Waste

- Eliminate disposable tableware, plastic straws and plastic-bottled beverages in our staff canteens and vending machines.
- Reduce food waste through meal-ordering and planning systems, as well as on-site composting systems.
- Promote eco-friendly dining practices and awareness of plastic regulations through the Food Wise Talk, with over 120 colleagues participating in 2025.



Digitalisation

- Digitise our work processes wherever practicable to minimise paper use and, when printing is necessary, adopt the use of recycled paper where practicable.



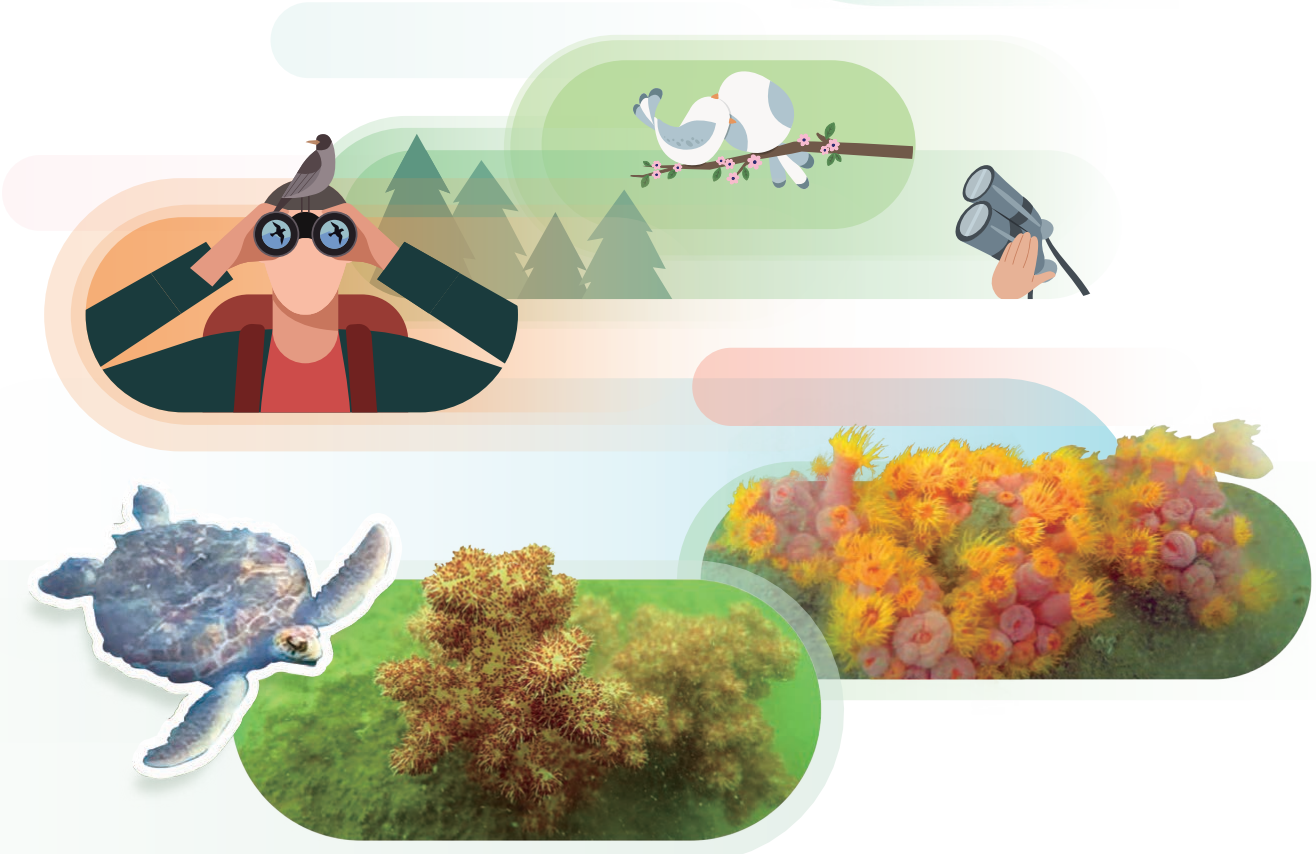
Biodiversity Conservation

Our Environmental, Sustainability and Biodiversity Policies provide a strong governance framework that ensures consistent implementation across operations. These policies emphasise minimising habitat disturbance, mitigating impacts on natural sites and promoting stakeholders' awareness and engagement. We apply the mitigation hierarchy in project planning and operations, focusing on avoidance, minimisation and restoration measures.

For all major developments, including the offshore LNG terminal, dredging of the LPS Navigation Channel, the removal of overhead lines from retired sections of our electricity network, re-provision of OCGT and decommissioning and demolition of Units L1 to L3 at LPS, we conduct environmental assessments in accordance with the Environmental Impact Assessment Ordinance to evaluate potential effects on air and water quality, noise levels, ecological resources and socio-economic factors. These assessments guide us in avoiding impacts on sensitive ecosystems and natural habitats from the outset, informing measures such as scheduling works outside breeding seasons of precious species in ecologically sensitive areas. In our daily operations, we also deploy an innovative low-frequency acoustic deterrent system to prevent fish from entering seawater inlet culverts, thereby reducing potential harm to marine wildlife. Where impacts cannot be fully avoided, we focus on minimising environmental impacts as far as practicable. During construction and operational activities, we implement comprehensive control measures to reduce air, water and noise pollution, ensuring that any unavoidable environmental effects are kept to a minimum.

We also place emphasis on maximising positive outcomes for stakeholders. This includes engaging local communities in habitat restoration and enhancement activities and ensuring that biodiversity actions respect cultural values and safeguard ecosystem services that are important to stakeholders.





Biodiversity Conservation

Bird Survey at LPS

Since 2011, HK Electric has conducted periodic bird surveys at LPS to monitor local avifauna and support biodiversity management on site. The surveys track species diversity, population trend and habitat conditions, helping maintain an ecologically supportive environment alongside its power operations.

Bird surveys are carried out every five to six years over a period of about seven months, using systematic visual observations with binoculars and birding cameras to record species and abundance. In the latest survey, our specialists completed seven surveys across different locations within LPS, identifying more than 20 species each time and 35 distinct species in total, including Great Egret, Japanese Thrush and Brown Shrike.

The findings help ensure that the LPS environment continues to function as a safe habitat for local and migratory birds and provide an evidence base for refining conservation measures.



Marine Conservation and Fisheries Enhancement in Action

The Marine Conservation Enhancement Fund ("MCEF") and Fisheries Enhancement Fund ("FEF"), established under the Offshore LNG Terminal project, support improvements to the marine environment and the sustainable development of local fisheries in western and southern Hong Kong waters. From 2020 to 2025, a total of approximately $100 million was committed to 73 projects, enabling research, habitat-enhancement initiatives and practical programmes that help restore fisheries resources and promote sustainable industry practices.

Under the MCEF, a key project, led by The Chinese University of Hong Kong, examined the diversity and distribution of octocoral communities across 30 sites in southern and western waters of Hong Kong. Using an integrated approach that combined morphological analysis with DNA barcoding, researchers identified 40 octocoral species, clarified previously confused classification and discovered six species newly recorded in Hong Kong. The study also revealed several hotspots of octocoral richness and documented 30 species of octocoral-associated invertebrates, including one new local record. These achievements demonstrate the MCEF's contribution to advancing marine science and strengthening biodiversity conservation.

The FEF supported a farming and restocking programme for the yellow croaker, a species now nearing local extinction due to historical overfishing. Led by the Life Jungle Association in Sok Kwu Wan, the project applied advanced aquaculture techniques to improve fry survival and maintain high water quality throughout cultivation. After eight months of careful rearing, approximately 3,000 juvenile yellow croakers were released into nearby waters to aid population recovery. The project engaged industry experts and fish farmers by sharing farming practices and outcomes, helping to promote wider adoption of sustainable fisheries management.



Environment Education and Awareness

Management Approach

HK Electric takes a collaborative approach to environmental stewardship, partnering with stakeholders including the Government, green organisations, NGOs and social enterprises to achieve common objectives and create mutual value. We work alongside these partners to promote community awareness of energy conservation, low-carbon lifestyles and sustainable practices through educational initiatives.



UNSDG Action Planner Launch Event

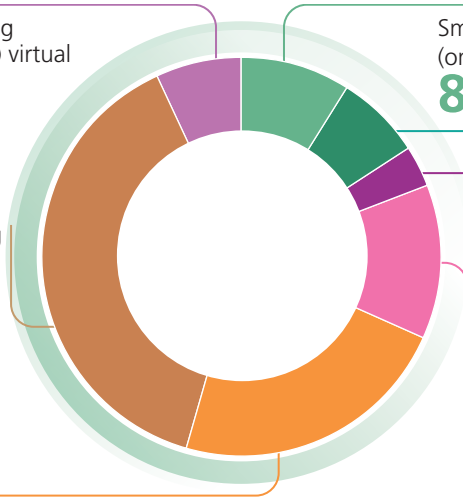


Green Energy Study Tour

Happy Green Campaign

Backed by the Smart Power Education Fund, HK Electric's Happy Green Campaign is our anchor green education programme for promoting EE&C, renewable energy and low-carbon lifestyles, with a special emphasis on engaging the younger generation. In 2025, the campaign continued to promote sustainable development, featuring educational activities such as competitions, study tour and utilising various platforms, including the campaign Green TV on its Facebook page and different online channels, to encourage public participation in Hong Kong's goal of achieving carbon neutrality by 2050.

HAPPY GREEN CAMPAIGN 2025 IN FIGURES



Green Hong Kong Green ("GHKG") virtual tours for school students
6 sessions

ABC Story-telling workshops
34 sessions

School Talks
20 sessions

Smart Power Gallery (online or physical tours)
8 sessions

LPS visits
6 sessions

Virtual Reality ("VR") game workshops
3 sessions

Upcycling-Toys workshops
11 sessions

Happy Green Schools Network
801 schools

Campaign Facebook Fans
14,284 fans

Happy Green Campaign Activities

Tree-planting at LPS

As part of its ongoing commitment to environmental stewardship, HK Electric held a tree-planting event on 10 April 2025 at LPS under its "Happy Green Campaign 2025". Joined by around 100 stakeholders and green supporters, including representatives from government, environmental NGOs and community groups, the company planted a total of 135 native seedlings along the main bridge leading to the gas-fired generation units, now named the "Eco-Carbon Bridge", marking the company's 135th anniversary of lighting up Hong Kong.



The seedlings comprised four native tree species — Hong Kong Gordonia, Ivy Tree, Chinese Holly and Wild Bean — and four native shrubs — Rose Myrtle, Common Melastoma, Chinese Ixora and Red Azalea. These species were carefully selected to enhance biodiversity, provide habitats and food for local wildlife and contribute to carbon-sink capacity.



"All You Can Cook!" × Happy Green Campaign Culinary Competition

In 2025, HK Electric, in partnership with Maxim's Group, launched the "All You Can Cook!" culinary competition as part of the Happy Green Campaign to promote food-waste reduction and sustainable cooking practices. Participants from various sectors, including schools and the public, were challenged to create dishes using surplus ingredients.

The competition featured a live cook-off on 20 September 2025, where 24 finalist teams showcased their culinary skills. Finalists also visited a food-waste awareness exhibition and a regenerative agriculture farm to learn more about sustainable food practices. Winning dishes were awarded in categories such as "Zero Food Waste Dish" and "Most Creative Dish", with winners and their dishes featured in an e-cookbook for sharing with the public. The event highlighted practical ways to reduce food waste while fostering creativity in the kitchen.



Green Energy Dreams Come True Competition

Throughout the year, we continued to implement the "Green Energy Dreams Come True" programme, aimed at promoting energy efficiency and renewable energy adoption. This competition-based initiative encouraged students to develop innovative ideas in decarbonisation, energy efficiency and green energy. A total of nine projects from tertiary institutions and nine from secondary schools were awarded seed funding of up to HK$50,000 each to transform their concepts into tangible outcomes and showcase their journey toward realising their green energy dreams. Finalists developed a solar-powered "artificial tree" water harvesting system, an AI-enabled infrared "tree doctor", and an algae "living wall", while the winning teams joined our first green energy study tour in December, visiting key facilities of the State Grid Sichuan Electric Power Company in Chengdu to explore green energy developments.



Green Hong Kong Green

In collaboration with the Conservancy Association, HK Electric launched the GHKG project to raise public awareness about environmental protection, conservation and sustainable development. This initiative aims to engage the community in meaningful environmental actions while promoting the preservation of both natural and cultural heritage. The project focuses on creating educational experiences that highlight the importance of sustainability and environmental stewardship across Hong Kong and Lamma Islands.



In 2025, HK Electric organised eight physical tours along the "Eastern Sparkle", "West Town Story", "Wan Chai Kaleidoscope", "Night Safari@Tai Tam", and "Night Safari@Lamma" eco-heritage routes over the year. These tours, which attracted more than 160 participants, offered an in-depth exploration of the rich history and ecological resources of North Point, the Western District, and Wan Chai. A new eco-heritage route in the Southern District, showcasing the historical and ecological landmarks of Ap Lei Chau and Aberdeen, was developed as part of the programme, bringing the total number of routes to 13, while classroom and field-trip training sessions for Eco-leaders were held in September and October to prepare them for guiding the public tour.

Partnered with the Conservancy Association and Southern Keen Youth, we launched the GHKG Cadet Programme alongside the Southern Route. This programme trains local students to become GHKG Cadets, who help lead eco-heritage tours, introducing the public to the fascinating history of the Southern District.



GHKG "West Town Story"

GREEN HONG KONG GREEN 2025 IN FIGURES

Public online tours	Public physical tours	School virtual tours	Training sessions for eco-leaders	Campaign Facebook Fans
4 tours for **576** participants	**8** tours for **166** participants	**6** tours for **795** participants	**3** sessions	**35,553** fans

Green Hong Kong Green Activities

National Ecology Day

To support National Ecology Day 2025, HK Electric organised special "Night Safari" tours at Lamma Island and Tai Tam Country Park to enhance public appreciation of Hong Kong's nocturnal biodiversity. Participants explored natural night-time habitat, witnessing an "ecological symphony" of frogs, insects and calling birds, and had the opportunity to observe rare local amphibian species, deepening public appreciation for biodiversity and fostering a stronger connection between the community and nature.





On 16 August, a Lamma Island tour engaged 26 participants, followed by a Tai Tam tour on 29 August for newly arrived families from the New Home Association to promote social inclusion and broaden understanding of the city's natural environment. Eastern District Council member Ng Ching-ching also joined the tour, demonstrating community support for environmental education and engagement.

Biodiversity Thrives at LPS

In March 2025, HK Electric hosted an online public tour to highlight the biodiversity-rich environment at LPS. The tour demonstrated how decades of initiatives such as native tree planting and water and marine-friendly operations have transformed LPS into a habitat where more than 35 bird species and a diverse range of marine life can coexist with modern power generation facilities, reinforcing HK Electric's commitment to environmental conservation and engaging the public in nature-preservation efforts.




ELECTRIC
1982

Powering up our Community



Running a Sustainable Business

Sharing our Planet

Serving Hong Kong

Working with Partners

Serving Hong Kong

Overview

Since lighting the first lot of electric streetlamps in Central in 1890, HK Electric has grown into a reputable power utility, delivering stable and reliable electricity to our customers while improving our environmental performance incessantly and at the same time creating long-term value for Hong Kong.

Our commitment to operational excellence is reflected in our performance during extreme weather events. During Super Typhoon Ragasa in 2025, LPS remained fully operational, supported by pre-emptive contingency plans and enhanced flood-protection infrastructure. These measures helped mitigate the impact of storm surges and overtopping waves brought by the typhoon. Only four brief voltage dips were recorded, all caused by external faults outside our supply areas and each resolved within a second, demonstrating the resilience of our systems and the reliability of our supply. Throughout the typhoon period, only five customers on Lamma Island had interruption of their power supply, all caused by fallen trees affecting overhead lines, and all of them had their power supply restored within 4 hours.

To achieve operational excellence, we have implemented robust Quality Management System, Asset Management System and Information Security Management System, certified to the International Standards ISO 9001, ISO 55001 and ISO 27001, respectively. With our corporate policies effectively implemented, these certifications demonstrate our commitment to ensuring the reliability and security of our assets and systems.

HK Electric places customer experience as a top priority, in line with its corporate policies on customer service, complaint handling and personal data privacy. At the same time, we monitor our service performance and pursue continual improvement by setting measurable targets aligned with our Customer Service Standards to enhance customer satisfaction. We also actively build sustainable community partnerships to ensure our resources and expertise generate meaningful social value across a broad range of programmes.



In line with our obligations under the current SCA with the Government, we extend our role beyond power supply through a range of funding and service schemes known collectively as Smart Power Services to support our customers and the wider community in achieving decarbonisation and assist those in need. These schemes promote the adoption of RE and electric vehicles, energy efficiency and conservation ("EE&C"), electrification and low-carbon lifestyles. Leveraging our expertise and forging strategic partnerships, we advance environmental education and provide support to the disadvantaged, reinforcing our commitment to building a smart zero-carbon and caring city.

World-class Power Supply

Management Approach

In 2025, we maintained a yearly supply reliability rating exceeding 99.9999%. This performance highlights our ability to provide dependable power amid global market volatility, supporting the sustainable development of Hong Kong. To advance decarbonisation, we continue to increase the share of natural gas in our fuel mix, while maintaining affordable tariffs and providing targeted assistance to customers facing financial hardship.

Our Transmission Reliability Review Committee regularly evaluates system performance and recommends enhancements to strengthen transmission reliability. The performance of our distribution system and progress of improvement projects are reviewed at bi-monthly Distribution Works Co-ordination Meetings. All equipment failures are rigorously investigated, with corrective actions implemented to prevent recurrence.

Aligned with our corporate policies and certified management systems, we have established comprehensive precautionary measures and contingency plans to safeguard supply reliability in the event of large-scale operational interruptions.



POWER SUPPLY PERFORMANCE IN 2025

<0.5 minute
unplanned customer minutes lost

>99.9999%
supply reliability rating
(>99.999% for 29 consecutive years)

Reliable Power System

As community expectations for a greener and reliable electricity supply continue to grow, we are systematically modernising our generation assets. Ageing coal-fired generating units are being replaced with advanced gas-fired units that deliver higher efficiency and lower emissions. At the same time, we are replacing ageing oil-fired open-cycle gas turbine units with new ones to ensure backup capacity during contingencies. We are also investing in expanding our power network and enhancing its reliability to meet future demand.

HK Electric continues to provide one of the most reliable electricity supplies in the world while advancing its energy-transition goals. Supported by a team of highly skilled professionals, we adopt a proactive approach to managing our assets and systems, enhancing system reliability and efficiency through strategic investment. We also strive for operational excellence and provide timely emergency support to our customers to minimise service interruption and its associated impacts.

PROACTIVE RISK-BASED ASSET MANAGEMENT

Risk monitoring approach	Assets: Typical measures	Purpose
Condition monitoring and advanced diagnostic techniques for network components	**Switchgears:** 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 and other potential failures to avoid cable faults
	LV network: LV Fault Indicator	Improving efficiency of fault identification and trouble shooting
	Transmission fluid-filled cables: Advanced remote monitoring system of pressures of cable fluid	Early detection of cable fluid leaks to avoid potential cable faults
Register of Health Indices and other risk indicators for network components	**Formulation of critical indices and indicators for primary and secondary assets, e.g., switchgears, transformers, relays and remote terminal units.**	Timely refurbishment or replacement to avoid equipment failure

2025 Preventive and Corrective Actions

- **14** 11-kV cable faults were averted;
- **26** 11-kV cables with risks of potential failure were removed;
- **388** cables were tested;
- **24** weak cable components were identified for replacement;
- **32** 11-kV and **33** LV faulty cable joints/bodies were replaced and dissected for identifying failure modes such as partial discharge, water ingress and damage from prior works or termite attack; and
- **12** aged 11-kV joints on cables with poor health index or risk indicators were replaced and dissected for revealing defects leading to high dissipation loss in the cable circuit.

Investing in Power Network Expansion and Reliability

HK Electric is committed to maintaining one of the world's most reliable T&D networks, underpinned by the deployment of advanced technologies. In 2025, we continued to invest in the expansion and upgrade of our power network to accommodate new electricity demand and further enhance the quality of our power supply.

Hong Kong's First Low-Voltage Direct Current System

In August 2025, HK Electric commissioned Hong Kong's first Low-Voltage Direct Current ("LVDC") System at Ocean Park's "Giant Panda Adventure" and its adjacent facilities. This milestone showcases our continued commitment to introducing innovative technologies and new solutions to the city, further enhancing the reliability of our power supply.



The LVDC System uses direct current to interconnect multiple low-voltage distribution devices through existing alternating current cables. By forming a hybrid microgrid that accommodates both direct current ("DC") and alternating current ("AC"), the system allows devices within the network to rapidly switch between power sources during anomalies. This significantly improves operational flexibility and ensures robust backup power during emergencies. Notably, the new system increases the capacity of the existing low-voltage cables to 700 kVA — approximately 2.5 times their original capacity — maximising the utilisation of cable assets while maintaining a reliable supply for our customers. This system allows the increase in backup power to facilities without the need of laying new cables, which invariably involves trenching work or other civil works.



This innovative development marks an important step forward in strengthening the power reliability of Hong Kong's key facilities. Looking ahead, we plan to extend LVDC deployment to selected high-rise commercial buildings on Hong Kong Island as part of our broader efforts to modernise the distribution network and support the city's transition toward a smarter, more efficient and resilient energy future.



Strengthening Emergency Preparedness

To ensure a stable and reliable power supply for our customers, HK Electric regularly organises drills and simulation training to ensure our capabilities in handling different types of emergencies. In 2025, seven major power restoration drills were conducted to strengthen our emergency preparedness.

Safeguarding Power Stability to Ensure the Smooth Running of the National Games



HK Electric supports the prestigious national sporting event, the 15th National Games, jointly hosted by Guangdong, Hong Kong and Macao. To ensure a stable and reliable electricity supply to the venues throughout the Games, we worked closely with government departments and relevant stakeholders, and conducted multiple on-site power restoration drills, voltage-dip simulations and tabletop exercises to further strengthen contingency preparedness.

To facilitate real-time monitoring of electricity supply during the Games, we established a cross-departmental emergency response team. A mobile command centre coordinated closely with the event organisers and relevant parties, while our engineers were stationed near major venues and equipped with mobile battery storage units, mobile generators and other facilities.

Joint Emergency Power Restoration Drill with HK Tramways

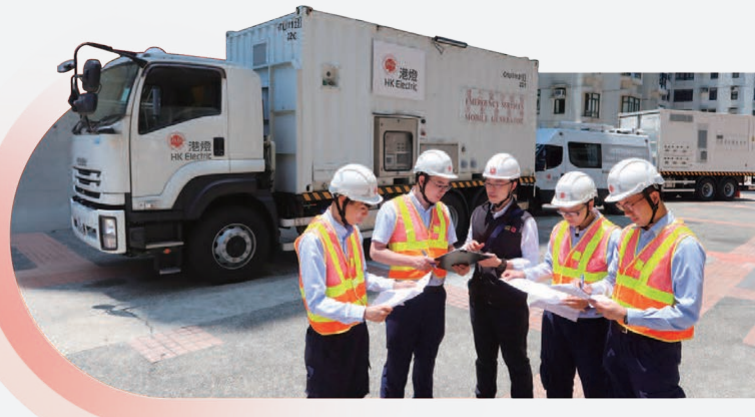


In January 2025, HK Electric jointly conducted an emergency power restoration drill with Hong Kong Tramways Limited ("HK Tramways"). We simulated power interruption occurred at the Ming Yuen Traction Substation in North Point, affecting both eastbound and westbound tram services. During the drill, our emergency services team isolated and replaced the "faulty" power equipment for emergency repairs, while the engineers from HK Tramways isolated the affected overhead-line system and switch to another supply with their special engineering vehicle. The exercise was completed in approximately two hours, during which the simulated fault was fully resolved and power supply to the trams was successfully restored.

HK Electric has been providing electricity to HK Tramways since 1923, marking over a century of cooperation. The joint effort of conducting regular drills not only enhances both teams' responsiveness and agility in handling unforeseen incidents but also strengthens the coordination of the two parties.

Flood Drill at Heng Fa Chuen to Enhance Severe Adverse Weather Readiness

Ahead of Hong Kong's wet and typhoon seasons, HK Electric, in collaboration with the Electrical and Mechanical Services Department ("EMSD"), conducted a power restoration flood-drill at Heng Fa Chuen. The scenario simulated a black rainstorm warning, with rainfall exceeding 70 mm per hour, causing flooding at multiple distribution substations and resulting in power outages across nearby coastal residential areas.





During the drill, rising water levels triggered flood alarms and activated water pumps to remove the accumulating water. The simulated seawater backflow further tested the resilience of the system. In response, HK Electric's System Control Centre quickly coordinated with EMSD and other external parties, dispatching engineers to the site and setting up a mobile command centre. Mobile generators and mobile battery storage units were deployed to provide temporary power and minimise disruption. The three-hour exercise successfully validated response protocols for fault isolation, emergency repairs and power restoration.

The exercise emphasised the importance of coordination with EMSD and other key stakeholders, ensuring a well-organised response to potential emergencies. Additionally, the drill underscored HK Electric's ongoing resilience measures, including the construction of flood walls at high-risk sites and ensuring adequate staffing arrangement during typhoon events, strengthening the company's preparedness for extreme weather scenarios.



Physical and Information Security

Acknowledging the growing regulatory demands on protecting the information systems of critical infrastructure, HK Electric has established comprehensive management systems in line with our Corporate Security Policy to safeguard its facilities and information assets from both physical and cyber threats.

Physical Security

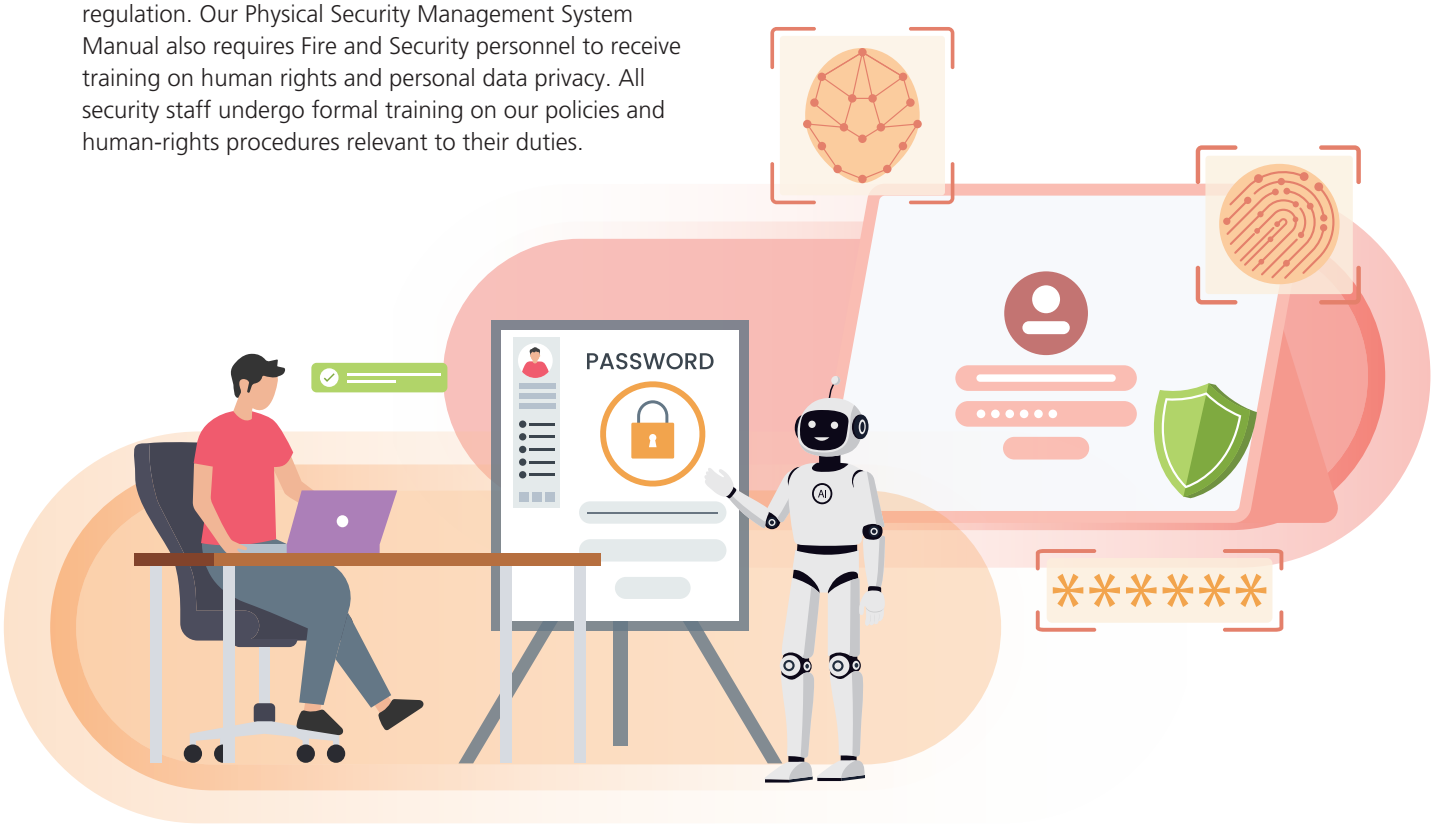
At HK Electric, we conduct both regular and ad hoc risk assessment to identify potential vulnerabilities of and threats to our assets and systems through a robust Physical Security Management System. To protect company property, we implement preventive measures that are regularly reviewed and enforce zoning for security control to prohibit unauthorised access. In 2025, we enhanced our physical security system at Head Office by improving access control system and security surveillance and enabling new features such as dual authentication. Other advanced access control technologies have also been implemented at other locations, such as car-plate recognition, video analytics and automatic detection of open access doors.

Understanding the concerns regarding human rights and personal privacy, we are upgrading our physical security system progressively and carefully in line with our Human Rights Policy and in compliance with all relevant laws and regulation. Our Physical Security Management System Manual also requires Fire and Security personnel to receive training on human rights and personal data privacy. All security staff undergo formal training on our policies and human-rights procedures relevant to their duties.

Cybersecurity

HK Electric has established a robust governance structure to safeguard the confidentiality, integrity and availability of its critical infrastructure and information assets. The Information Security Policy provides clear principles to protect against internal and external threats, whether deliberate or accidental. Building on this foundation, our Cybersecurity Management Framework, managed by in-house specialists in collaboration with external service providers, adopts a "defence-in-depth" approach and comprehensively addresses its technical, regulatory and managerial aspects. This framework also integrates multiple layers of security to detect, prevent, respond to and recover from cyber threats swiftly.

HK Electric's new AI Governance and Usage Policy strengthens our ability to use AI responsibly to enhance operations, efficiency and innovation. The policy sets clear requirements to ensure all AI applications remain secure, ethical and compliant with internal and statutory requirements. Strong cybersecurity and full regulatory compliance are essential to safeguarding our operations and maintaining stakeholders' trust.



Our System Operations Cybersecurity Incident Response Plan ensures that reportable incidents are promptly identified, classified, and addressed in a structured manner. Recovery procedures for critical IT systems are embedded within our Crisis Management Plan, enabling us to maintain operational resilience and service continuity in the event of disruptions. During the reporting period, no incidents of non-compliance with enforceable cybersecurity standards or regulations were recorded.

Strong awareness and preparedness in cybersecurity can significantly reduce our overall cybersecurity risk. We conduct regular cybersecurity trainings and quarterly phishing drills for our employees. Compulsory phishing awareness training will be provided for those who are hooked in these drills. New joiners are required to complete comprehensive onboarding training on cybersecurity policies and procedures, reinforced by quizzes. To keep our staff informed and vigilant, a dedicated "Cybersecurity Corner" on the Corporate Intranet provides latest news on cybersecurity trends, self-learning videos and other useful materials.

For our industrial control systems, HK Electric applies internationally accepted operational measures. To keep our information safe and prevent unauthorised access, we use a range of security tools and systems. These include advanced firewalls, systems that detect and block suspicious activities, protection against long-lasting cyber threats, secure email gateways, anti-malware tools, multi-factor authentication, systems that help us monitor and analyse security events and measures that defend against large-scale attacks that try to overload our networks.

ENSURING CYBERSECURITY RESILIENCE

Cybersecurity Assurance Exercises

HK Electric undertakes ongoing cybersecurity assurance through internal and external audits, testing, management reviews and inspections. Regular external audits of our Customer Information System ensure the effectiveness of information security controls and processes, supporting continuous improvement and alignment with ISO 27001.



Cybersecurity Incident Responses Drill

HK Electric conducted an annual attackers exercises (Red Team Exercise) to evaluate our capabilities of incident detection and response. We also participated in the Attack & Defence Drill 2025 organised by the Digital Policy Office of the Government to strengthen our readiness for incident response.





Alleviating Economic Hardship

HK Electric remains committed to balancing energy affordability with the provision of a safe, reliable and environmentally responsible electricity supply. Under the SCA, we have established mechanisms to keep electricity tariffs reasonable while upholding high standards of reliability and environmental performance. Benefiting from lower fuel costs, the Average Net Tariff for January 2026 decreased by 2.2% compared with that for January 2025, helping to ease cost pressures on customers.

Through our Smart Power Services, we offer targeted subsidy initiatives that assist different community groups, advancing both energy affordability and efficiency. By addressing specific needs, these programmes help ease financial pressures, improve access to energy, and contribute to a more inclusive and sustainable society. For more details, please refer to the section on Smart Power Services.

Tariff Adjustment for 2026

HK Electric has announced that the Average Net Tariff for January 2026 will be 163.3 cents per unit of electricity, representing a reduction of 3.7 cents, or 2.2%, compared with January 2025. The reduction is mainly driven by a lower Fuel Clause Charge.



Adjustments from Period of January 2025 to January 2026

Basic Tariff (¢/kWh)	Fuel Clause Charge (¢/kWh)	Average Net Tariff (¢/kWh)
122.9 › 127.9	44.1 › 35.4	167.0 › 163.3

In support of community needs and sustainability objectives, HK Electric continues to implement initiatives under "Smart Power Services" that promote energy efficiency, support underprivileged customers, and enhance access to smart energy solutions. In 2026, these green and caring initiatives will continue, with a budget of over $80 million allocated for this purpose. These initiatives include targeted subsidies and programmes for energy efficiency and adoption of renewable energy, cash coupons to underprivileged families, relief of electricity charges of sub-divided units ("SDU") households, funding for improvement of energy of buildings, and support underprivileged households in acquiring energy-saving appliances, as well as public education activities that encourage energy-saving and low-carbon living.



Serving our Customers with Heart

Management Approach

HK Electric is devoted to delivering outstanding supply reliability and excellent customer service. We implement Quality Management System certified to the International Standard ISO 9001, covering our design and provision of customer services, inspection services and meter testing. Our Customer Services Steering Committee closely monitors our service performance with reference to specific and measurable metrics. Our pledged Customer Service Standards specify monitorable targets for electricity supply, connections, account management, metering, customer enquiries, emergency services and overall customer satisfaction.

Our Stakeholder Satisfaction Steering Committee oversees complaint cases, trends and emerging issues, ensuring efficient resolution of customer concerns and complaints. We also protect and carefully manage customer data in compliance with the Personal Data (Privacy) Ordinance throughout our operations. In line with our Personal Data Privacy Policy, our Privacy Management Programme comprises robust privacy measures supported by ongoing monitoring and review procedures.

Full Deployment of Smart Meters and Completion of Advanced Metering Infrastructure

HK Electric has completed the necessary Advanced Metering Infrastructure ("AMI") and practically fully deployed smart meters, with more than 600,000 units successfully installed across Hong Kong Island and Lamma Island. The rollout, which began in 2020, enables customers to access detailed daily or half-hourly electricity consumption data through the HK Electric App or the Account-On-Line Service. This significant upgrade marks an important step towards a more digitalised, smarter and greener society.



With the new smart meters, customers can set consumption alerts to notify them when usage reaches a predetermined threshold relative to their previous bill. This empowers them to manage electricity use more efficiently and adopt energy-saving habits, such as switching off non-essential appliances. At the same time, the digital data stream allows HK Electric to perform timely monitoring of grid performance and improve operational efficiency.

The AMI Head-End System now supports seamless integration with high-precision meters used in high-voltage installations up to 132 kV, extending our capability to serve large commercial and industrial customers. This enables greater efficiency and creates new opportunities to optimise operations across a wider customer base.

Excellent Service

In 2025, we met or exceeded all 18 pledged Customer Service Standards and attained an average customer satisfaction score of 4.8 out of 5 in after-service surveys. During the year, we also receive 2,205 positive commendations and several major customer service awards. In line with our Customer Services Policy and Quality Policy, our customer service team will continue to strive to exceed customer expectations by providing excellent customer service that customers feel respected and valued.



Understanding the market demands on self-services options, we continue to enhance our online platforms to allow customers to easily manage their account-related matters. Customers can monitor their status of applications via our online portal. In 2025, we launched a series of instructional videos to enable our customers to understand how to apply for auto-payment and perform e-payment through the HK Electric App. Senior-friendly leaflets with concise instructions were also distributed to the elderly on Lamma Island.

HK Electric App:

- Manage Your Account with Ease
- Forecast Your Energy Usage
- Track Your Energy-Saving Progress

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 on planned shutdowns and supply interruptions via our website and HK Electric App

E-billing / E-payment / Group Billing / Bill of Small Outstanding Amount Services
Environmentally friendly and convenient options for billing and payment

One-stop Services for SMEs / Data Centre
Comprehensive services for business start-ups and energy management

Virtual Assistant "Elsie"
Available on our website and mobile app 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 counters

For the Visually impaired
Voice-assisted e-bill service, Braille bills and a tactile guide path installed at our Customer Centre

For the Elderly
"Web for the Elderly" and express counters equipped with magnifying glasses

For the Disabled
Automatic doors for access to our Customer Centre and a dedicated wheelchair-friendly counter

For the Needy
Offer Concessionary Tariff Schemes for eligible elderly, disabled persons, single-parent families and the unemployed

Connecting with our Customers

We aim to exceed customer expectations by continually improving our services and maintaining open, transparent communication. We use multiple channels to ensure open and two-way communication with the customers, including our corporate website, HK Electric App, social media, and both virtual and face-to-face interactions. To ensure all customers can access our services with ease, we strive to understand their actual needs and remove barriers related to language, culture and literacy.

Customer feedback is important for our continual improvement. Our Complaints Handling Policy ensures that all complaints are addressed promptly, fairly and transparently. By listening to the customers sincerely and patiently, we strive to provide practical resolutions through in-depth investigations. The valuable insights gained from complaints also help enhance our operations and strengthen stakeholders' trust. In 2025, we received three complaints, which have been addressed according to established procedures to ensure fair and thorough resolution.

The Customer Liaison Group Facilitating Dialogue

Established in 1992, the Customer Liaison Group ("CLG") enhances our dialogue with stakeholders by providing a platform to exchange views and gain insights into public perspectives on important issues concerning our company. In July 2025, the CLG was restructured to include additional residential representatives and key stakeholders, forming a new group of 60 members. An orientation and welcome lunch for the new members was held on 6 September 2025.



Personal Data Protection

At HK Electric, we are committed to safeguarding personal data and ensuring information security. We strictly comply with the Personal Data (Privacy) Ordinance and relevant industry guidelines through our Privacy Policy Statement and Personal Data Privacy Policy, which apply across all operations and to our suppliers, ensuring a consistent and unified approach to data protection.

To ensure effective oversight and accountability, we operate a comprehensive Privacy Management Programme overseen by our Personal Data Protection Officer. Our Customer Personal Data Protection Officer and Employee Data Protection Officer oversee implementation of appropriate controls and raise awareness among our employees. The programme includes annual data reviews, privacy-impact assessments and ongoing employee education. Clear guidelines for the collection and use of personal data, along with periodic audits and reviews, ensure adaptability to evolving risks in the digital landscape. Non-compliance with this policy may result in disciplinary actions, underscoring our zero-tolerance approach to privacy breaches.

We implement strong access controls, including a Data Loss Prevention system that prevents unauthorised disclosure of personal data via the Internet, emails, portable devices or file transfers. Automated incident procedures and response plans ensure swift action in the event of data breaches, supported by regular drills to test and refine our crisis preparedness.

During the year, we participated in the Privacy Awareness Week organised by the Office of the Privacy Commissioner for Personal Data ("PCPD"), themed "AI Security Matters for All". Through in-house training, we promoted the secure and ethical use of AI to enhance employees' awareness of protecting personal data and complying with relevant ordinances while embracing innovation and technology.

In recognition of our ongoing efforts and strong governance framework, HK Electric received the Outstanding Gold Award at the Privacy-Friendly Awards 2025, underscoring our leadership in data protection and privacy stewardship.

Smart Power Services

HK Electric has rolled out a suite of funding and initiatives under Smart Power Services ("SPS") to promote EE&C, renewable energy, the electrification of transport and construction site, as well as low-carbon lifestyles. We actively promote awareness of the SPS and engage with stakeholders through multiple channels, including corporate website, YouTube channel, mobile app, hotline, bill messages and email services.

Promoting Sustainability through Smart Power Services

Driving Green Mobility

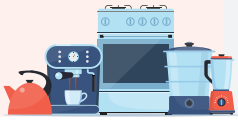


HK Electric supports the electrification of buses and ferries by providing technical assessments, power-supply upgrades and technical support for installation of charging infrastructure. This includes en-route charging for electric buses at Central Pier and Hong Kong Station and power upgrades at North Point Ferry Pier for electric ferries.

In addition, HK Electric facilitates the installation of fast-charging facilities on Hong Kong Island, including the installation of the first batch of 600-kW liquid-cooled ultra-fast EV charging systems, and the conversion of petrol filling stations into fast-charging stations. We also support social welfare groups in their transition to electric rehabilitation buses, contributing to the advancement of green mobility.



Empowering Communities for a Greener Lifestyle



In 2025, HK Electric supported the "Shau Kei Wan Community Living Room" project through the Energy-efficient Community Subsidy Programme, which marked the first Community Living Room project on Hong Kong Island. A wide variety of energy-saving appliances, including induction cookers, steam ovens and coffee machines, were provided to improve convenience for members of the Community Living Room with lower carbon emissions and foster a greener and more sustainable community.



Inspiring Sustainability through Education



HK Electric has unveiled the upgraded Smart Power Gallery 2.0 in Sheung Wan, offering visitors a dynamic experience, blending smart technology, playful learning and hands-on workshops to showcase our HK Electric's initiatives in energy efficiency, zero-carbon energy transition, electrification and low-carbon lifestyles, while educating visitors on the company's decarbonisation roadmap. Through themed zones, demonstrations and Science, Technology, Engineering, the Arts, and Mathematics ("STEAM") activities, the Gallery engages schools, NGOs and community groups to deepen awareness of sustainable energy transformation.



2025 Accomplishments

Energy Efficiency

Smart Power Building Fund Subsidies for building owners to enhance energy efficiency of communal building services installations ($25 million allocated annually)	**77** applications were approved representing **161** buildings and **$17** million in subsidies.
Smart Power Energy Audit Free energy audits for non-residential customers to help identify energy saving potential	**210** free energy audits were conducted.
Smart Power Loan Fund Interest-subsidised loans for eligible customers to finance energy-efficiency enhancement projects	**3** major banks have participated in the loan provision.
Smart Power EV Charging Solution One-stop service for customers to implement EV charging solutions	Completed EV charging-enabling infrastructure installation works for **95** car parks and assisted customers in applying for the Government's EV-charging at Home Subsidy Scheme ("EHSS").
Smart Power for Construction Site One-stop service to provide timely and sufficient grid-electricity supply for construction sites	**20** construction sites were supported to adopt grid-electricity supply to replace diesel generators.

Renewable Energy

Feed-in Tariff Scheme Purchase of electricity generated by customers' grid-connected RE power systems at Feed-in Tariff rates	**80** new customer renewable installations were connected to our system. (Please see the section on Performance Data Summary for total installed capacity.)
Renewable Energy Certificates Sale of certificates to help customers achieve RE/ environmental targets while supporting local RE development	Over **730** certificates were issued covering **5.7** GWh.

Green Education

Smart Power Education Fund Promoting EE&C, RE and low-carbon lifestyles through our Happy Green Campaign ($5 million allocated annually)	**~120,000** participants were recorded in various activities. (Please see the chapter on Sharing our Planet for more information.)

Supporting the Needy

Smart Power Care Fund Providing services, advice and financial assistance to help the disadvantaged (including households living in SDUs), customers and the community adopt low-carbon and smart lifestyles and improve living environment	**>11,000** underprivileged families benefited from: – Energy-efficient Community Subsidy Programme – SDU Electricity Charges Relief Programme – Cash Coupons for the Underprivileged.	**102** NGO community centres from the NGO Catering Subsidy Programme **127** cases were approved under: – Energy-efficient Equipment Subsidy Programme – Energy-efficient Community Subsidy Programme.

Caring for the Community

Management Approach

At HK Electric, community care is embedded in our corporate values. We actively channel our technical expertise, volunteer service and resources to support those in need, strengthening social well-being and creating long-term benefits to the community. Over the years, we have partnered with leading NGOs and supported programmes focusing on elderly care and environmental education.

Our community initiatives are guided by our Sustainability Policy and the Media, Stakeholder Engagement and Community Investment Policy, ensuring that contributions are culturally sensitive, aligned with corporate values and supportive of our sustainability objectives. In 2025, HK Electric received the "10 Years+ Caring Company Logo" from the Hong Kong Council of Social Service, underscoring our ongoing commitment to social responsibility.

Caring for our Elders

Launched in 2008, the "CAREnJOY for the Elderly" programme remains our flagship community initiative, extending our care to single elders in partnership with nine elderly service NGOs across Hong Kong and Lamma Islands.

Building on the success of the "Fun & Joy" project, we continue to organise outings and interactive activities for single elders and expanding our service scope to include their caregivers, fostering greater community inclusion. During the year, the following activities were organised:

CAREnJOY for the Elderly

"Electrical Safety Fun Day"

A full-day event held at the Hong Kong Physically Handicapped and Able-Bodied ("PHAB") Association Camp in Pokfulam featured interactive game booths and, electricity and safety talks delivered by our engineers, covering household electrical safety, energy-saving practices, renewable energy and emergency preparedness. This event attracted more than 130 elders and caregivers from 11 elderly service centres.



Movie Screening Activities

In collaboration with Diamond Cab, 40 single elders and their caregivers participated in our movie screening activity in February. Moreover, supported by 15 NGOs partners, 270 elders joined our "CAREnJOY Movie Day" held at Times Square in August.



Home visits

Partnering with elderly centres in Southern, Eastern, and Central & Western Districts, two rounds of home visits were conducted in June and September. Over 1,000 gift packs were distributed. Each pack included a specially designed placemat with electrical safety tips and emergency information for power outages, a rechargeable flashlight and essential daily items.



Golden Third Age

The U3A ("University of 3rd Age") Network of Hong Kong, co-founded by HK Electric and the Hong Kong Council of Social Service, approached its 20th anniversary of supporting lifelong learning and promoting the well-being of local retirees. The programme encourages retirees to remain active, pursue their interests and contribute to society through volunteering. In 2025, the Research Centre for Gerontology and Family Studies of The Hong Kong Polytechnic University ("PolyU") conducted a study to assess the social impact of U3A on local retirees focusing on active ageing, lifelong learning and life planning. With the participation of 826 local retirees, including 326 U3A participants, the study found that U3A participants reported significantly higher levels of "overall happiness" and lower levels of depression compared to non-participants, underscoring the positive impact of the U3A programme on the well-being of the elderly.

During the year, we funded 27 U3A centres and organised 618 courses and classes, offering 28,346 learning opportunities for the seniors. The "Smart Power Ambassador Training Programme 2024/2025" provided over 80 retirees with opportunities to learn about AI and sustainability, including a study tour to the Greater Bay Area.

The U3A Central Courses offered a series of practical and lifestyle-oriented activities to help participants become familiar with smart home technologies and gerontechnology, while enhancing home-safety awareness and self-care capabilities. In July, we presented awards to outstanding U3A centres and ambassadors at the U3A Annual Recognition Ceremony in recognition of their contributions. During the year, we also organised a visit to the Smart Power Gallery, Electrical Safety and Efficiency Talks, Gerontech and Innovation Expo Summit Tour and Health & First Aid Talk.

Giving to Good Causes

In 2025, we continued to support a broad spectrum of charitable causes through sponsorships and donations, benefiting students from low-income families as well as NGOs, environmental groups and community organisations. The HK Electric Centenary Trust continued to support the 35 U3A centres under the U3A programme by providing funding for initiatives that encourage active ageing. In June, the HK Electric Scholarship and Bursary were awarded to 35 students from secondary schools and 57 students from tertiary institutions in recognition of their outstanding academic achievements. In addition, through the Lamma Fund, which was established to improve the environment and facilities on Lamma Island, HK Electric supported tree care, hill-fire prevention and coastal clean-up initiatives in 2025.

Please refer to the section on Smart Power Services for more information about HK Electric's programmes to support people-in-need.







U3A Dream+ Here We Go

HK Electric Volunteers

At HK Electric, we actively promote volunteerism among employees as part of our commitment to caring for the community. The HK Electric Volunteers Team has grown to over 1,100 members and continues to foster a culture of volunteering within the company, with a primary focus on elderly care and environmental protection while addressing wider social needs.

Caring our community with HK Electric Volunteers Team

During the year, volunteers contributed 4,849 service hours in more than 50 projects, including collaboration with the Housing Society to conduct electrical safety inspections for over 40 single elders living in public housing estates. Major activities include:

Types of services or events	Local cultural events	Green events and Environmental services
Major activities or services supported in 2025	• Pok Fu Lam Village Fire Dragon Dance; and • Ap Lei Chau Pun-Choi Gathering.	• "Green Sports Day — Indoor Smart Bike Relay Sprint" organised by Green Council"; • Swap "N" Go Green organised by Friends of the Earth; • Vegetation caring, prevention of hill fires and coastal cleaning organised by various local green groups and NGOs.



HK Electric Volunteer Team x Pok Fu Lam Village Fire Dragon Dance







Services for Underprivileged groups

- Home visits for the elderly co-organised with the Aberdeen Kai-fong Welfare Association, Agency for Volunteer Service, Hong Kong Sheng Kung Hui and Tung Wah Group of Hospitals;
- "Lunch Boxes Preparation for the Needy" for the fourth year co-organised with the St. Barnabas Society and Home, assisting in the preparation and distribution of hot meals to the homeless and families in need.

Support for Major Events

- Arranged 18 volunteers to support the 15th National Games (Hong Kong), including the Triathlon held at Central Harbourfront Event Space and Victoria Harbour.

Disaster Response

- Mobilised swiftly to assist Tai Po fire victims through relief work, child support, NGO assistance in providing material aids and temporary housing as well as fundraising.







Co-creating Shared Values



Running a Sustainable Business

Sharing our Planet

Serving Hong Kong

Working with Partners

Working with Partners

Overview

Our Vision to excel in Hong Kong's power business is driven by the dedication of our employees, contractors and suppliers who uphold safe, responsible, and professional practices. To foster a resilient workforce, we strive to provide a rewarding and supportive environment that encourages teamwork, open communication and continuous professional growth. Guided by our Learning and Development Policy, we invest in continuous learning and comprehensive wellness programmes to support employees in realising their full potential.

Safety is fundamental to our operations, and we strive for zero accidents. Our Health & Safety Policy, reviewed biennially by the Health & Safety Board, ensures safety practices are fully integrated across the business, with a focus on risk reduction and strict compliance with legal and regulatory standards. We maintain a comprehensive Safety Management System certified to International Standard ISO 45001, covering all operations in power generation, transmission, distribution and infrastructure development. Complementing this, our Asset Management Systems adhere to International Standard ISO 55001, ensuring the responsible stewardship of assets. Together, these frameworks protect not only our workforce and contractors, but also our customers and the wider community, with regular third-party audits upholding their integrity.

As a responsible corporate citizen, we extend our commitment to high standards across our supply chain. Our updated Sustainable Procurement Policy expands the scope of procurement to cover a wider range of products and services. It also embeds ethical practices and considerations of social impacts into decision-making and reinforces our commitment to addressing climate change. Our procurement processes are aligned with the International Standard ISO 20400 Sustainable Procurement — Guidance, ensuring that sustainability is embedded into every purchasing decision and that our suppliers adhere to the highest standards of environmental and social responsibility.

In line with our Human Rights Policy, we uphold international principles of human rights for all employees and encourage our business partners and suppliers to adopt similar standards. To foster a respectful, inclusive and equitable working environment, our Anti-harassment Policy sets out clear requirements for preventing all kinds of harassment including sexual harassment in the workplace and during work-related activities.



Human Capital Management and Development

Management Approach



The Human Resources Steering Committee at HK Electric oversees the implementation of our human resources management direction, SHINE — Synergy, Holistic development, Ideal workplace, Nurture future leaders and Excellence. The Committee provides strategic direction for HR initiatives, ensures policy compliance, facilitates talent management and succession planning, and regularly reviews compensation and benefits to maintain competitiveness.

HK Electric is dedicated to attracting, developing, and retaining high-calibre talents by offering clear opportunities for career progression, structured development pathways, and a supportive work environment. We place emphasis on nurturing both experienced professionals and young entrants to the power sector, providing mentorship and knowledge-sharing programmes to accelerate their growth. We also adopt a pay-for-performance approach, offering competitive remuneration, bonuses, and benefits, which are benchmarked annually against industry trends. Details about our Remuneration and Benefits can be found on our corporate website.

Our comprehensive training and development framework support the continuous personal and professional growth of our people. We encourage knowledge transfer from experienced to younger employees, assisting them in building a balanced mix of technical and non-technical competencies. These initiatives are aligned with our Learning and Development Policy and Promotion and Transfer Policy. In addition, partnerships with industry leaders and academic institutions further enrich their learning experiences and prepare our workforce for emerging challenges, including the transition to greener energy.

We maintain regular engagement channels to foster open and constructive communication with our employees. These include regular meetings with the Joint Consultation ("JC") Committee and quarterly focus-group discussions, which provide platforms for employees to voice their ideas and concerns. A formal grievance mechanism is in place to ensure issues are addressed in a timely and fair manner. We also strive to cultivate a safe, inclusive, and supportive work environment where employees feel valued and respected, thereby promoting overall employee well-being and engagement.



Attracting and Retaining Talent

We carry out annual workforce planning to assess and project our staffing needs over the next decade, ensuring our workforce is equipped with all necessary skills, professionalism and adaptability to support business continuity and long-term success in a fast-changing economic and social landscape.

To attract, nurture and retain a diverse talent pool, HK Electric is committed to fostering an inclusive, equitable and discrimination-free workplace that values individual differences and contributions. To demonstrate our commitment to sustainable labour practices, we adopt pay-for-performance approach and offer competitive remuneration and benefit package that recognise employees' performance and professionalism. We also regularly review our job design and working conditions to sustain employee engagement across different career stages.

Programmes for Attracting Young Talents

Employer Branding & Outreach

We collaborate with industry bodies and academic institutions to promote career opportunities and strengthen our employer brand. In March, we participated in the Electrical and Mechanical Expo 2025, hosted by the Electrical and Mechanical Services Department ("EMSD") and the Hong Kong Electrical and Mechanical Trade Promotion Working Group to promote career pathways in the electrical and mechanical trades. On 28 June 2025, we also took part in the Hong Kong International Talents Career Expo 2025, organised by the Hong Kong Quality and Talent Migrants Association, to access specialised talents aligned with our business needs.



Recruitment Programmes

HK Electric runs structured entry-level schemes, including the Graduate Trainee, Trainee Technician and Trainee Technician II programmes, to meet operational needs and support long-term succession planning. To broaden our talent pipeline, we implement an Employee Referral Scheme, encouraging colleagues to refer qualified candidates from their professional networks. In 2025, we delivered three online and three on-campus recruitment talks to promote our trainee programmes, attracting 307 students. Nine trainees were successfully onboarded during the year, comprising four Graduate Trainees, two Trainee Technicians and three Trainee Technicians II. We also expanded our recruitment efforts into the Chinese Mainland to source engineering and business professionals.

Internship Programmes & Student Engagement

HK Electric offers a range of internship programmes to provide students with practical industry exposure and strengthen the future talent pipeline. The Industrial Attachment Programme supports Higher Diploma students in Electrical Engineering, while the Industrial Placement Programme offers Information Technology ("IT") undergraduates hands-on, real-world work experience. Our Vacation Trainee Programme provides summer placements for bachelor's and master's degree students across various disciplines, including engineering, IT, business, arts, science and journalism. In 2025, 22 students participated in these programmes, gaining hands-on experience and insight into careers in the energy sector.

Together We Grow – 70 Years of Dedication at HK Electric

For 135 years, HK Electric has grown alongside generations of employees who have contributed to the company's long-term development. Across decades, multiple generations within the same families have supported the company in different roles, reflecting how shared values and professional commitment can span lifetimes of service.

One such family's three-generation journey reflects this continuity. Over more than 70 years, they have taken on responsibilities across engineering, operational and finance functions, each playing a part in HK Electric's evolution. Their collective experience highlights how employees accumulate expertise over time, adapt to advancing technologies and pass on practical skills and professional standards to newer generations of talent. This legacy is embodied in a set of handwritten engineering notes created by the first generation and later entrusted to a young engineer in the third generation – a powerful symbol of how technical knowledge, safety awareness and craftsmanship are preserved within the workforce.

Opportunities for Growth

At HK Electric, we prioritise skill development and safety training to strengthen the technical and functional capabilities of our workforce. Guided by our Learning and Development Policy, we provide continuous upskilling and professional development to ensure employees are well-equipped to excel across all areas of our operations. Committed to a just transition toward a low-carbon, green economy, we are advancing the shift from coal-fired to gas-fired generation through ongoing communication between the management and employees, supported by effective retraining initiatives. We aim to facilitate this transition by ensuring that all employees currently engaged in coal-fired operations can acquire the necessary competencies for reassignment to suitable roles within the organisation.

To ensure a healthy leadership pipeline, our annual succession planning process, led by the HK Electric's Managing Director and supported by business unit heads and the General Manager (Human Resources), identifies potential successors for key positions and formulates strategies for their development. Training needs of individual employees are assessed through performance appraisals and addressed with tailored technical and functional training. Supported by the Four-level Leadership Competency Framework, the Human Resources Division coordinates a broad range of initiatives to further promote holistic workforce development, including competency-based modules, the Leadership Development Programme and the Young Talent Development Programme.

The HK Electric Institute strengthens technical and professional expertise by facilitating the transfer of knowledge from experienced employees and retirees to the younger workforce. In addition, we collaborate with local universities to expand learning opportunities and strengthen the industry's talent pipeline. Our partnership with The Hong Kong Polytechnic University provides employees with access to specialist knowledge and equipment, further enriching their professional development.

Learning and Development at HK Electric

TALENT DEVELOPMENT

Trainee and Professional Development Programmes
Support young recruits in building strong professional careers

Rotational Development Programme
Nurture emerging leadership potential through cross-functional job rotations

Accelerated Development Programme
Fast-track the development of exceptionally high-potential talents for future leadership positions

Young Talent Development Programme
Advance young professionals for progression into first-line leadership roles

Leadership Development Programme
Equip mid-level leaders with the capabilities to succeed in senior leadership roles

Executive Education Programmes
Enable senior and mid-level leaders to benefit from inspiring learning experiences with external executives and enhance their strategic and business acumen

KNOWLEDGE SHARING

HK Electric Institute
Facilitate the transfer of knowledge and expertise from experienced employees to the next generation

Seminars, workshops and online learning platforms
Strengthen a continuous learning culture across the company

Knowledge inventory
Enable systematic knowledge capture and succession planning to preserve critical expertise

2025 Learning and Talent Development Initiatives

Learning Management System

Launched in 2023, i-learn promotes self-directed learning and supports employees' competency-based development. The system enables employees to track learning progress, access web-based modules and address development needs identified through performance reviews.

Leadership Development Programme

Our Leadership Development Programme ("LDP"), launched in 2010, aims to accelerate mid-level leaders' growth and address succession planning. In 2025, 14 LDP members participated in a range of activities designed to enhance leadership and business skills, including workshops on growth mindset and championing change.



Trainee and Professional Development Programme

Our Trainee Programmes and Professional Development Programme ("PDP") provide essential learning opportunities for new graduates. We organised various sharing sessions and workshops for participants to develop practical skills and deepen their understanding of our business operations. In July 2025, Graduate Trainees and PDP participants shared their growth journeys at HK Electric with management and presented their personal insights to support operational improvements.



Power Industry Book Sharing Forum

HK Electric organised the Power Industry Book Sharing Forum in collaboration with State Grid International and Yingda Media Group to promote cross-regional knowledge exchange and enhance safety culture. The forum engaged over 200 participants, including industry experts and employees, and covered topics such as power-safety practices, professional standards, and emerging power supply technologies.



Continuous Learning Support

We provide Educational Sponsorship Programmes to support employees' self-development and lifelong learning. In the 2024/2025 academic year, 14 employees were awarded our Bachelor's Degree Sponsorships, while nine employees received our Master's Degree Sponsorships.

Future Talent Pipeline Development

In March 2025, HK Electric co-organised a job-shadowing programme with the HKU Engineering Alumni Association, providing four students with exposure to real-world engineering work. We also offered scholarships, bursaries, and awards to students from secondary schools, universities, and other institutes to recognise the outstanding students.

Supporting Industry Development through Partnerships

Belt and Road Advanced Programme in Power and Energy 2025



Co-organised by the PolyU, Xi'an Jiaotong University, State Grid Corporation of China and HK Electric, the "Belt and Road Advanced Programme in Power and Energy 2025" marks its 8th consecutive year as a platform for knowledge exchange and fostering partnerships within the energy sector across the Belt and Road ("B&R") region.

In 2025, the programme theme was "Promoting Collaborations on Green Energy; Building a New Type of Power System". The 13-day programme brought together 28 energy professionals and scholars from six B&R countries, including Chile, Chinese Mainland, Hong Kong, Indonesia, the Philippines and Russia. Participants engaged in a series of lectures, discussions, sharing sessions and field visits across Jinan, Xi'an and Hong Kong.

HK Electric made significant contributions to the "Belt and Road Advanced Programme in Power and Energy 2025" by showcasing its innovative smart energy solutions. The company delivered a lecture on Hong Kong's first supply-territory-wide IoT platform for public utilities, demonstrating how IoT and AI can enhance energy efficiency, system management and smart grid resilience. Participants also visited key HK Electric facilities, including the Marsh Road Station Building, System Control Centre, Virtual Reality Training Centre and Mobile Battery Energy Storage System, gaining insights into the company's advanced infrastructure and its role in Hong Kong's sustainable energy transition.

Since its launch in 2018, the programme has engaged more than 850 professionals from 44 B&R countries, delivering over 10,000 training hours. Recognised as a pioneering cross-regional collaboration between academia and industry, the programme continues to advance the low-carbon transition, talent cultivation and the promotion of sustainable energy future.



HK Electric & HKBU – AI Collaboration for Power Supply Reliability

On 15 July 2025, HK Electric and Hong Kong Baptist University ("HKBU") signed a Memorandum of Understanding ("MoU") to strengthen their collaboration in the field of AI. The partnership aims to enhance power-supply reliability and contribute to the development of Hong Kong's smart-city initiatives.



The first project under this MoU focuses on "Anomaly Detection for Low-voltage Distribution Network Using Artificial Intelligence". This initiative uses AI to analyse real-time loading patterns in LV cable circuits, enabling proactive maintenance and the early detection of potential issues before they lead to disruptions.

AI-driven monitoring systems will facilitate the swift identification of irregularities in the network, enabling timely interventions that reduce the risk of supply interruptions. This collaboration seeks to develop innovative smart solutions that enhance the performance of power infrastructure and drive technological advancements in the energy sector.

The partnership exemplifies the synergy between academic research and industry practice, supporting sustainable development goals while strengthening the resilience of Hong Kong's electricity network. It highlights how collaboration can foster innovation and improve infrastructure to meet the growing demands of a smart city.

Engineering Trainees Shine in Industry Awards

In 2025, HK Electric's ongoing commitment to talent development was highlighted when three of its engineering trainees received major industry honours: The Hong Kong Institution of Engineers ("HKIE") Trainee of the Year Award 2024 and the Sir Edward Youde Memorial Fund Outstanding Apprentice Awards.



One of the awardees, Ivan Ip, began his career as a Graduate Trainee under HK Electric's HKIE-accredited training scheme. Now promoted to Engineer II, he plays a pivotal role in upgrading the company's internal communication systems, enhancing network monitoring and reliability. Another honouree, Zion Yung, progressed from Trainee Technician II to Assistant Technician, is responsible for inspecting and maintaining switchgears in substations. His prompt response during the flooding incident, which affected multiple substations in 2023, demonstrated his strong safety awareness, agility in teamwork, and the practical value of hands-on training programmes. The third recognised individual, Mike Tse, joined us through a vocational retraining pathway following a career change. His recognition by the Sir Edward Youde Memorial Fund reflects his exceptional perseverance and highlight the success of HK Electric's inclusive training initiatives for working-age adults.

Beyond individual achievements, these awards illustrate the effectiveness of HK Electric's comprehensive talent pipeline: the Graduate Trainee programme (accredited by HKIE), the Trainee Technician scheme (the first of its kind under the HKIE Associate Membership Scheme), and alternative entry programmes supported by the Employees Retraining Board.

Through structured training, career-path diversity and recognition of excellence, HK Electric continues to nurture a skilled workforce capable of supporting Hong Kong's demand for safe, reliable and innovative power supply.

Engaging with Employees

At HK Electric, employee engagement is a strategic priority that underpins our ability to address workforce needs and drive continuous organisational improvement. We provide a range of communication channels to foster constructive relationships with employees and promote their engagement, supporting their overall satisfaction. Our corporate intranet serves as a centralised information hub, while the My HKE mobile application enables convenient access to internal key resources. In addition, dedicated taskforces and briefing sessions are organised as needed to address specific issues. An employee hotline is available to provide timely support and facilitate open dialogue.



"Hear Your Voice" Programme

For over 40 years, the Joint Consultation ("JC") Committee has served as a cornerstone of employee communication. The Committee comprises six formal panels and around 70 elected representatives from across the organisation. It acts as a vital bridge between management and employees, enabling management to better understand employees' practical needs while providing a structured platform for sharing the latest corporate updates and information. In parallel, we maintain regular communication with the Employees Union through both scheduled and ad hoc exchanges, including written and oral communication, strengthening collaboration and reinforcing our commitment to transparency, notwithstanding that collective bargaining agreements are not legally required in Hong Kong.

Our Performance Management System is integral to employee engagement, involving all employees in a structured three-phase appraisal process: performance planning, mid-year review and year-end evaluation. Each department sets annual performance goals, while supervisors provide continuous feedback and coaching throughout the year. This system aligns individual objectives with organisational goals, enhances communication between supervisors and employees, and fosters collaboration, accountability and continuous development across the workforce.



Engaging with employees through Focus Group Meetings

Connecting with Employees in 2025

"Dialogue with Francis" employee communication forum	The "Dialogue with Francis" employee communication forum was held in December 2025, engaging 527 employees. HK Electric Managing Director shared updates on the Company's progress amid a rapidly changing environment and outlined key strategic priorities for future operations.
"Hear Your Voice" Programme	Launched since 2021, the "Hear Your Voice" initiative promotes open dialogue between employees, supervisors and senior executives. In 2025, seven small-group meetings were organised, enabling HK Electric Managing Director and Operations Director to engage with 26 young talents from different levels to hear out their thoughts about career aspiration and insights on company matters. In addition, two presentation meetings were held, during which 10 young talents shared their ideas directly with the management.
JC panel meetings	In 2025, 17 JC panel meetings were held to discuss employee feedback and company policies. Following these discussions, 29 improvement initiatives, including examination leave entitlement, travel allowance and employee wellness activities, were followed up as a result of employee feedback.
Quarterly Focus Group Meetings	Our quarterly focus group meetings were conducted through random invitations to employees from different business units. In 2025, opinions and suggestions were collected from 65 employees on various company premises, leading to 13 follow-up improvement initiatives.
Performance Planning and Appraisal Workshop	In 2025, we conducted seven workshops on performance planning and six workshops on performance evaluation, covering more than 190 employees. These workshops aimed to enhance their understanding of the performance planning and appraisal process, supported by pre-workshop exercises and tutorial videos.
Orientation Programme	More than 80 new hires attended the Orientation Programme in 2025, supporting their familiarisation with HK Electric's values, policies and procedures, and integrate into the company culture.
Meeting with Employee Unions	Regular and constructive dialogue with employee union representatives is maintained through biannual meetings to exchange views on employee-related issues. In 2025, two meetings were held in June and November, with feedback referred to relevant parties for follow-up and consideration.



Promoting Employee Well-being

At HK Electric, we believe that recognising individual uniqueness and prioritising employee care are key to fostering well-being, motivation and creativity of employees. Caring is one of our Core Values, and we embed this principle into management practices through comprehensive wellness programmes that support both physical and psychological health, while promoting a healthy work-life balance. By cultivating a psychologically safe work environment and providing targeted organisational support, we encourage inclusive behaviours and strengthen employee engagement.

In 2025, we were recognised for the 11th consecutive year as a "Happy Company" under the "Happiness at Work" Promotional Scheme, and received the "Happy Company 10 Years+" label. To further support employees and their families, we continue to promote positive family relationships, offer flexible work arrangements under our Code of Practice for Work from Home, and enhance family-friendly leave benefits. Building on enhancements introduced in recent years, maternity and paternity leave entitlements were increased in 2024, and marriage leave was further extended from two days to five days with effect from April 2025.



Wellness Initiatives at a Glance



Physical and intellectual well-being

- Health talks and fitness programmes;
- Distribution of fresh fruits;
- Flu vaccinations;
- Medical check-ups for eligible employees; and
- Tips and resources on physical wellness.

Psychosocial well-being

- Volunteering activities;
- Interest groups and interest classes;
- Employee recreational facilities;
- Employee Recreational Subsidy;
- 24-hour Employee Counselling Hotline Service manned by professional counsellors;
- Good Neighbours' Club providing timely emotional support to colleagues;
- E-buddy programme pairing each new hire with an experienced peer who supports their assimilation into our corporate culture during the first year of service; and
- In-house educational programme on psychosocial well-being.

Good family relationships

- Five-day work week;
- Flexible work arrangements in special circumstances;
- Lactation rooms for breastfeeding mothers;
- Medical check-up plans and flu vaccinations for employees' family members at preferential rates;
- Children's Education Subsidy;
- Family Day, outings and eco-heritage tours; and
- Family-friendly activities.

2025 Employee Health and Well-being Initiatives

Good Neighbours' Club ("GNC")	Since June 2016, the GNC provided peer-to-peer emotional assistance through a network of over 140 trained employees. In September 2025, an Employee Counselling Skills Workshop was held for 20 members to strengthen their counselling skills in supporting colleagues experiencing stress and emotional challenges.
Wellness Day	More than 500 employees participated in our three Wellness Days, which offered health screenings, neck and shoulder massages and interactive games designed to promote health awareness. Participants gave positive feedback on the event.
Health Talk and Tips	In April 2025, over 220 employees attended a health talk on longevity delivered by Professor Feng Yibin, Director of the School of Chinese Medicine at the University of Hong Kong. The session shared practical health preservation tips based on traditional Chinese medicine and was well received by participants.
Interest Class and Fitness Course	Over 1,400 employees took part in a wide range of fitness and interest classes, including tai chi, pilates, yoga and team sports, in 2025. Additionally, 64 colleagues joined online gym training. In June 2025, the HK Electric Band hosted an internal music sharing session, with over 10 colleagues playing music and singing together.
Employee Well-being Focus Group	21 employee well-being focus-group meetings were held with 220 colleagues in 2025 to strengthen our understanding of employee perspectives and to identify emerging areas of concern highlighted in the 2024 company-wide survey. Further discussions with individual business unit heads will be arranged in early 2026 to address unit-specific results, followed by an open forum to share key highlights with employees.





Respecting Human Rights

Management Approach

As a public utility, HK Electric is committed to upholding the high standards of human rights to protect the rights of our employees and all associated stakeholders. We are also dedicated to diversity, equity and inclusion ("DEI"), ensuring fair treatment, responsiveness to employee needs and the prevention of potential infringements of human rights. Our commitment is underpinned by our Human Rights Policy, which is embedded in both our Code of Conduct and our Code of Practice for Suppliers. To support effective implementation, we provide regular training, maintain a formal grievance mechanism, and foster a supportive, inclusive, and respectful work environment.

In addition to complying with Hong Kong's human-rights legislation, HK Electric also recognise international human-rights principles reflected in the Universal Declaration of Human Rights, the International Bill of Human Rights, the International Labour Organisation's 1998 Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights.

A robust human-rights framework is integral to our sustainable growth strategy. We strictly comply with the Employment Ordinance, which prohibits child and forced labour, and uphold these standards across all our operations and throughout our supply chain. In 2025, no instances or risks of child or forced labour were identified in our activities, reaffirming our commitment to responsible business practices and a positive and ethical workplace culture.

Our Commitment to Human Rights

As an equal opportunity employer, HK Electric is committed to providing fair and equitable treatment for all employees, regardless of gender, disability, family status, race, age, sexual orientation, or other personal characteristics. Recruitment, appointment, and promotion decisions are based on objective and merit-based criteria, and are fully compliant with the Employment Ordinance and relevant anti-discrimination ordinances. To address persistent gender imbalance within the energy sector, we integrate workforce diversity and inclusion into our sustainability strategy and continue to strengthen initiatives aimed at increasing female representation across all levels of the organisation.

We strive to foster a supportive, transparent and respectful work environment that is free from discrimination and harassment. To safeguard employees' rights, robust whistleblowing and grievance mechanisms are in place to ensure that concerns are handled promptly, sensitively and confidentially. Independent investigations are conducted where appropriate to ensure fairness and accountability.

Our employees enjoy the freedom to join or form employee unions without fear of retaliation, intimidation, or harassment. The Chief Manager (Employee Relations) serves as the primary liaison with union representatives to facilitate open and constructive dialogue. In addition, regardless of union membership, all employees are encouraged to participate in focus groups and other engagement platforms to share feedback and suggestions.

Our Code of Practice for Suppliers sets out ethical standards for our business partners, including respect for freedom of association and the prohibition of discrimination, child labour and forced labour. Beyond the workplace, we advance human rights in the community by promoting accessibility and affordability of electricity, with targeted assistance provided to those in need. Further details on supplier engagement and community support initiatives, such as Smart Power Services, can be found in the Responsible Supply Chain Management section of this chapter and Serving Hong Kong chapter of this report.

Fostering Anti-discrimination and Equal Opportunities in 2025

>110 *employees*

attended the Webinar on Anti-discrimination Ordinances held in April and November 2025. The sessions enhanced participants' awareness and understanding of the relevant ordinances, as well as the Company's corresponding policies and guidelines, supporting a more inclusive and compliant workplace.

>80 *supervisors*

attended the Workshop on Anti-discrimination Ordinances for Managers held between March and June 2025. The workshops equipped participants with practical knowledge to apply the principles of the Anti-discrimination Ordinances and take proactive measures in managing employee interactions in compliance with relevant ordinances.

>80 *new hires*

attended the Orientation Programme, which included a briefing on the Anti-discrimination Ordinances. The session provided new employees with a basic understanding of the key principles of the Ordinances and their role in fostering a fair, respectful, and inclusive workplace.

Diversity and Inclusive Workplace

At HK Electric, cultivating a diverse and inclusive workplace is integral to enhancing organisational performance and serving our community effectively. We promote gender diversity by increasing female representation and supporting employees in balancing professional and personal responsibilities. As an equal opportunity employer, we provide fair and impartial treatment for all, regardless of gender, physical ability, race, ethnicity, age, sexual orientation, or other personal attributes. Our recruitment, development, compensation, and advancement decisions are guided by objective criteria, such as qualifications, skills, performance, capability and commitment, enabling us to build a workforce enriched by diverse experiences and perspectives.

We are equally committed to strengthening employee engagement within a workplace culture grounded in trust, respect and mutual understanding. Our formal Grievance Procedures provide a clear and structured mechanism for employees to raise workplace or employment-related concerns, ensuring that issues are addressed in a timely, fair and consistent manner. In 2025, no employee grievances were recorded.

Women engineers at HK Electric contribute across a wide range of disciplines, from infrastructure development to systems planning, applying strong technical expertise and collaborative problem-solving skills. Their work reflects the growing presence of women in engineering roles and demonstrates how diverse perspectives strengthen project delivery, operational safety and long-term development.

Since 2017, the number of female engineers at HK Electric has increased by 69%. This progress reflects the company's sustained efforts to foster a diverse, equitable and inclusive workplace.



Female engineers of HK Electric share their experiences in the engineering sector with the media on the International Women in Engineering Day.

Health & Safety

Management Approach

At HK Electric, maintaining a safe operating environment is fundamental to our values and is formalised in our Health & Safety Policy. This policy, overseen by the Health & Safety Board, is designed to safeguard the welfare of employees, contractors, customers and the public. The Board, chaired by the HK Electric Managing Director, meets quarterly and is supported by divisional and departmental health & safety committees which monitor performance, assess training needs, and develop safety protocols and emergency procedures. Specialised sub-committees further strengthen our engagement with employees and contractors, promoting safety awareness and providing channels for feedback.

Our Safety Management System and Asset Management System are certified to the International Standards ISO 45001 and ISO 55001 respectively, encompassing all operations from power generation, transmission and distribution to infrastructure development. A dedicated Natural Gas Safety Management System is also implemented at LPS, covering design, operation and maintenance of our gas facilities and gas-fired units. In addition, our Corporate Health & Safety Manual, aligned with the Labour Department's guidelines, undergoes regular reviews and updates to maintain regulatory compliance and reflect industry best practices.

We aim to eliminate all accidents involving our employees, contractors and customers, and ensure our operations do no harm to the public. In pursuit of this goal, rigorous health and safety initiatives are implemented to uphold high standards across facilities, apply advanced technologies for safety preparedness, promote continuous safety education and introduce incentive-driven programmes to foster a strong safety culture throughout the workforce.

The evolving operational challenges posed by climate change and our transition from coal to gas highlighted the importance of integrating stringent health and safety measures into our daily operations. By leveraging innovative technologies and adopting new work processes, we aim to ensure a just and secure transition for all stakeholders while maintaining a reliable and safe electricity supply for Hong Kong.



HK ELECTRIC'S HEALTH & SAFETY GOVERNANCE STRUCTURE

- Health & Safety Board
  - Divisional/Departmental Health & Safety Committees
    - Staff Health & Safety Subcommittees
    - Frontline Employees Health & Safety Subcommittees
    - Contractor Health & Safety Subcommittees

Safety First

We promote employee health, workplace safety and a strong health and safety culture through comprehensive management strategies, including thorough risk assessments and targeted measures to mitigate safety risks. We provide extensive training for employees and contractors, recognise outstanding safety performance and conduct campaigns to enhance health and safety awareness. To keep everyone informed properly, we maintain a dedicated "Health & Safety Information" section on our corporate intranet portal, complemented by regular updates via emails and notice-board displays.

An annual Safety Management System audit plan is implemented, with most audit sessions conducted by external safety auditors to provide independent oversight and drive continual enhancement. Our Work Safe Behaviour Programme further strengthens this framework by identifying and addressing at-risk behaviours, promoting proper work practices and reinforcing the correct use of personal protective equipment ("PPE").

Comprehensive health and safety procedures apply to all employees and contractors. Regular audits and inspections are conducted across operational sites to ensure compliance and uphold our commitment to a safe working environment. Enhanced control measures are implemented for high-risk activities, including mandatory video recording for entry to confined spaces and reinforced precautionary measures during excavation works to prevent damages to underground cables.

EMPLOYEE HEALTH AND SAFETY PERFORMANCE

The number of Lost Time Injuries among our employees has remained consistently low in recent years, with three incidents reported in 2025. Each incident has been thoroughly investigated, and preventive measures have been implemented to avoid similar occurrences in the future. We remain committed to further reducing workplace risks by implementing additional improvement measures and graded controls that prioritise employee safety and aim for zero accidents. For more detailed Health & Safety data, please refer to the Performance Data Summary section and the GRI Content Index.



Number of Lost Time Injuries
3

Lost Time Injury Frequency Rate*
0.17
** per 200,000 employee-hours*

Lost Time Injury Severity Rate*
3.01
** per 200,000 employee-hours*

2025 Risk Prevention Indicators

98
Work Safe Behaviour observations

2,827
Safety inspections

23
Near-miss incidents reported

4,515
Safety risk assessments conducted

12.3
Average safety training hours per employee

Health and Safety Management Practices

Rules, procedures and practices

- Comprehensive safety rules, procedures and instructions to ensure all operations are conducted in a safe and responsible manner;
- Company-wide system for appointing and registering competent persons and authorised persons to ensure that only personnel with the necessary skills and experience can perform work on or near our facilities;
- Regular risk assessments and preventive or mitigation measures to eliminate or minimise risks;
- Ad hoc and regular safety audits and inspections to identify improvement opportunities;
- Systematic reporting and follow-up on every workplace incident to prevent reoccurrence;
- Work Safe Behaviour programme to eliminate risky behaviours in a range of operational areas;
- 5S Good Housekeeping programme to enhance workplace efficiency, occupational health and safety, space utilisation and cleanliness;
- Workplace hygiene inspections and participation in Hong Kong's voluntary Indoor Air Quality ("IAQ") Certification Scheme to ensure a healthy work environment;
- Oil-free distribution substations and zone substations to reduce potential fire hazards; and
- Contingency plans and procedures.



Use of virtual-reality technology in safety training

Training and awareness

- Comprehensive safety training for employees including the use of virtual-reality technology to bring training sessions to life;
- Monthly safety briefings on selected health and safety topics for employees;
- Health and safety alerts for employees;
- Company-wide Safety Climate Index survey every three years;
- Relevant safety information on our corporate website for third-party contractors carrying out works near our power supply lines;
- Engaging with our customers and the community to promote safe use of electricity; and
- Promotional campaigns for employees and contractors, such as Health & Safety Week, Safety, Health & Environment Day, Health & Safety Forum, Life First Campaign, Environmental, Health & Safety Quiz and health and safety talks.



Health & Safety Week

Encouragement

- Incentive and award schemes to recognise employees for zero-accidents;
- Incentive schemes for reporting near-miss incidents, safety hazards and safe driving;
- Supporting the "Charter on Preferential Appointment of Occupational Safety and Health Star Enterprise" by giving preference to contractors that have an effective Safety Management System in place for repair, maintenance, alteration and addition works; and
- Supporting the "Construction Safety Charter" by continuously enhancing our safety culture.

2025 Highlights on Raising Health & Safety Awareness

To achieve zero accidents, we engage employees and contractors through year-round safety training, knowledge sharing and incentives that promote a strong safety culture.

January	HK Electric won the Gold and Silver Awards in the EMSD's Short Film Competition on Innovative Technology for Electrical Safety, showcasing how innovative technologies can enhance the working environment and strengthen electrical safety awareness.
February	21 colleagues visited the Towngas Tai Po Production Plant to facilitate knowledge exchange and improvements in technical and safety practices.
March	HK Electric strengthened employee and contractor safety awareness through training such as occupational health and heat-stress prevention webinars and launched a Road Safety Campaign in early 2025 to reinforce safe driving, traffic compliance and responsible practices at LPS.
April	At the 25th Construction Industry Safety Award Ceremony by the Occupational Safety and Health Council ("OSHC"), HK Electric and six contractors received 11 awards, underscoring their commitment to safety and health excellence. This recognition highlights HK Electric's leadership in construction safety and dedication to maintaining the highest standards.
May	HK Electric participated in the Construction Industry Council's ("CIC") Design for Safety Pilot Run Scheme. At the Phase 1 workshop, we presented safety-focused design strategies for the New Electricity Substation Building in Sandy Bay, demonstrating HK Electric's proactive approach to embedding safety considerations at the design stage. We also participated in the Phase 2 pilot run and presented our safety design for the L13 Gas Receiving Station, further showcasing our dedication to advancing Design for Safety principles.
June	HK Electric organised a heat-stroke prevention event in June 2025, providing iced herbal tea and safety training to employees and contractors, promoting health awareness and safe practices during hot weather conditions.
July	On 4 July, HK Electric organised an event at LPS to support the "Life First 2025" programme of Construction Industry Council ("CIC") and invited Ir Prof. Ho An-shing, CIC Chairman to witness. The event reinforced our commitment to a caring safety culture, adoption of advanced safety controls such as secondary guarding devices for elevated working platforms, mobile plant alert systems, and arrangement of health checks for workers as promotion.
August	Approximately 80 participants, including employees, contractors and industry representatives, attended the inauguration ceremony for "T&D EHS Week" themed "Let's be Safety Sage!". The week featured diverse activities such as low-carbon healthy meals, virtual reality ("VR") safety training, health talks, PPE safety briefings and in-house training on safe working behaviour.
September	At the 11th Guangdong-Hong Kong-Macau Safety Knowledge Competition held in Guangzhou on 16 September, HK Electric represented Hong Kong to promote regional collaboration and strengthened safety awareness, and obtained the second place in the public category and third place in the corporate category. Complementing these efforts, HK Electric enhanced employees' health and safety awareness through the "Wellness Day" event at LPS on 26 September under the "Health & Safety Promotion Series 2025". The event attracted over 200 participants and encouraged healthier daily habits.
October	HK Electric and its contractors hosted the Lo Pan Rice and Mooncake Distribution, promoting social well-being by sharing festive gifts with over 300 workers and Lamma residents, strengthening community ties and fostering inclusive engagement during the festival.
November	HK Electric hosted a Health and Safety Forum under the theme "Unite to Comply – Building a Culture of Safety Excellence", where speakers shared insights on strengthening safety culture through collaboration and innovation. In addition to this, a Lifting Safety Seminar & Competition was held at LPS, with a representative from the Hong Kong Professional Hoisting Engineering Association Limited sharing best practices in lifting safety. The event drew 130 online and 40 on-site participants, demonstrating our continued focus on lifting-operation safety.
December	From 9 to 12 December, HK Electric hosted the "Safety, Health and Environmental Festival 2025" at LPS under the theme "Zero to Hero". The three-day event set a new record with participation from over 10 contractors, four innovation companies and more than 500 employees and workers. Supported by CIC, the festival promoted a culture of safety, health and environmental responsibility through dynamic risk assessments, fire-prevention measures, safety awards, technology exhibitions, health checks and recycling workshops. The festival reinforced our commitment to the craftsmanship and our vision of "Safety Without Compromise".

Contingency Preparedness

Unplanned interruptions to electricity supply due to health and safety emergencies may lead to serious consequences for the community. To minimise harm and ensure rapid recovery, HK Electric places strong emphasis on emergency preparedness and timely response.

We maintain a robust Crisis Management Plan that sets out strategy for handling major incidents, supported by emergency response plans at the business unit level to ensure operational continuity. These procedures are regularly reviewed and tested through drills involving employees, contractors and, where relevant, customers, strengthening our overall readiness.

Our contingency plans are designed to address a wide range of scenarios, including natural disasters and public health events. They cover emergencies such as fires, oil and chemical spills, typhoons and flooding, and include a three-tiered framework for managing public health crises, such as influenza outbreaks.

To manage electricity supply interruptions, we provide 24-hour emergency customer support via telephone and Short Message Service ("SMS"). Special arrangements are in place for hospitals and customers reliant on life-support equipment, ensuring their unique needs are met and they receive advance notice of planned supply interruptions.





Drills at LPS





Responsible Supply Chain Management

Management Approach

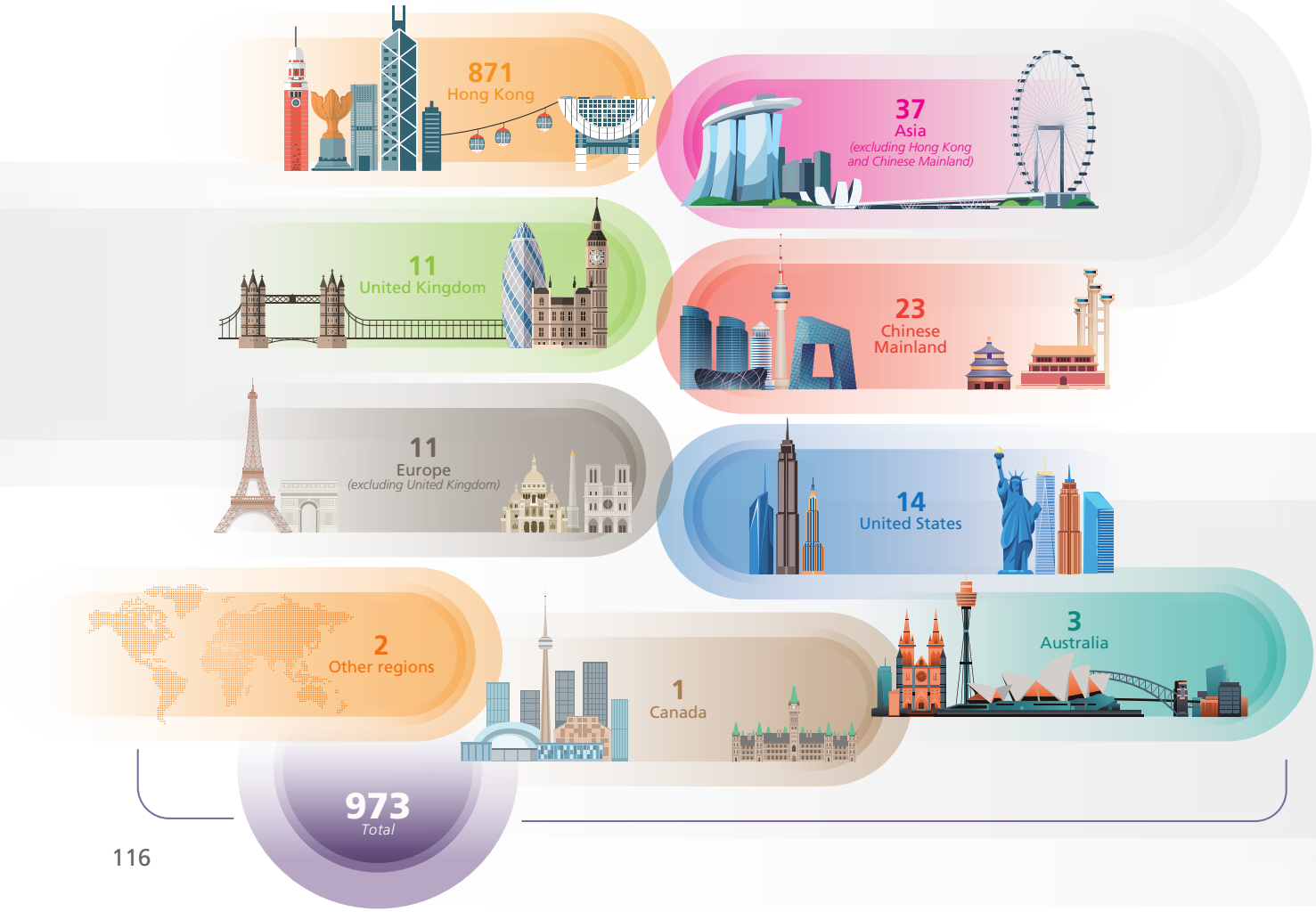
HK Electric aligns its procurement activities with the International Standard ISO 20400 Sustainable Procurement – Guidance, ensuring that our approach remains both ethical and sustainable. We actively promote our sustainability values and vision to stakeholders across the supply chain, including suppliers, contractors, consultants and vendors who contribute to the construction, operation and maintenance of our power facilities and daily operations.

Our supply chain is primarily composed of entities from Greater China, including Hong Kong. With the exception of coal and natural gas, all key materials required at LPS are sourced from local suppliers. In addition, around 92% of general goods and services spending is procured locally.

The Code of Practice for Suppliers ("CoP") serves as a dynamic framework that we regularly update to uphold high standards of business ethics and compliance. It addresses areas such as adherence to legal requirements, intellectual property protection, fair competition, anti-corruption, anti-bribery and prevention of conflicts of interest. We expect suppliers to be transparent about their sustainability performance, comply with CoP principles, and cascade these expectations to their employees and downstream partners.

Alongside ethics and governance, the CoP sets out our expectations in critical areas including health and safety, environmental protection and climate action, physical and information security and use of internet facilities and social media. It also highlights our commitment to human and labour rights, requiring the elimination of child and forced labour, respecting freedom of association, and enforcing anti-discrimination and anti-harassment policies. These standards are embedded in our Conditions of Tendering/ Bidding and integrated into the criteria for admission to our Recognised Tenderers Register ("RTR") to ensure accountability throughout our supply chain.

Number of Suppliers by Geographical Region



Responsible Procurement

HK Electric's sustainable procurement strategy integrates environmental, social and governance ("ESG") considerations into purchasing decisions, with a focus on legal compliance, carbon footprint, circularity, human rights, as well as health and safety. We closely monitor the environmental and social impacts of our suppliers and factor these aspects into our overall evaluation of suppliers.

As a founding member of the Hong Kong Sustainable Procurement Charter organised by the Green Council, we strive to collaborate with suppliers that uphold resource conservation and environmental protection. Our CoP defines clear environmental, social, health and safety requirements, which are incorporated into tender documents issued to suppliers. Failure to meet these requirements or any violation of environmental laws and regulations may result in suspension or removal from our list of registered suppliers and disqualification for submission of future tenders.

All tenders and quotations are processed under strict commercial procedures. Admission to our RTR requires major suppliers of other materials and services to undergo screening of environmental, health and safety performance. The RTR is reviewed regularly, and suppliers must update us on their sustainability practices. In 2025, 84 suppliers were evaluated against environmental and social criteria, with no significant negative impacts identified.

Under our green procurement practices, we ensure that various materials used in our facilities meet high environmental standards. In 2025, environmentally friendly products accounted for 41% of the general office commodity items listed in our Electronic Ordering System, with annual spending of more than $510,000.



Influencing our Suppliers

In 2025, HK Electric updated its Sustainable Procurement Policy and introduced a Sustainable Procurement Guideline to govern purchasing activities, including the selection of commodities and services from suppliers. This policy and guideline strengthen our commitment to promoting sustainability in procurement practices and provide clear guidance to ensure alignment with our organisational values and long-term environmental goals. Based on the Sustainable Procurement Survey conducted in 2024, which received 44 valid responses, we identified several key areas for improvement among our suppliers, including audits, supplier management, staff development and supply chain resilience. We will continue to proactively engage suppliers, including a Supplier Engagement Seminar scheduled for 2026, to further enhance awareness and sustainability performance.

We continue to enhance supplier relationship management through year-round operational and business reviews, with a strong focus on collaboration to achieve shared sustainability objectives, particularly in environmental protection and health and safety. For example, we actively support contractors in reducing carbon emissions and improving local air quality by promoting electrification at construction sites.

Our Contractor Handbook provides detailed guidance on environmental protection, health and safety, quality assurance, housekeeping, physical and cyber security. We regularly meet with contractors to review performance and gather feedback, while working closely with contractors' Safety Officers to conduct joint site inspections. All contractors are also encouraged to report near-miss incidents, raise safety concerns and share preventive measures. To further promote workplace safety, we incentivise trenching contractors by implementing a merit and demerit point system. Details on contractor engagement for safety performance can be found in the Health and Safety section of this report.

Performance Data Summary

Environmental	2025	2024	2023
Fuel Consumed [1]			
Gas (TJ)	**52,580**	52,907	43,613
Coal & oil (TJ) [2]	**35,688**	38,189	51,687
Licence Compliance			
Environmental regulatory non-compliances (no. of case)	**0**	0	0
Air Emissions [1]			
SO_2 (kT)	**1.01**	1.04	0.81
NO_x (kT)	**2.85**	2.91	3.68
RSP (kT)	**0.08**	0.09	0.08
CO_2 (million T)	**5.76**	6.00	6.59
Mercury (T) [3]	**0.015**	0.014	0.027
GHG Emissions			
Direct (Scope 1) GHG emissions (million T of CO_2e) [4]	**5.80**	6.05	6.64
Indirect (Scope 2) GHG emissions (million T of CO_2e) [4]	**0**	0	0
Indirect (Scope 3) GHG emissions (million T of CO_2e) [4]	**1.20**	1.21	1.08
Indirect (Scope 3) GHG emissions by category (kT of CO_2e):			
Cat. 1: Purchased goods and services	**12.6**	14.7	15.2
Cat. 2: Capital goods	**148.4**	134.0	170.2
Cat. 3: Fuel-related and energy-related activities	**1,039.5**	1,059.7	894.1
Cat. 4: Upstream transportation and distribution [5]	**See note 5**	See note 5	See note 5
Cat. 5: Waste generated in operations	**0.4**	0.5	0.3
Cat. 6: Business travel	**0.6**	0.4	0.3
Cat. 7: Employee commuting	**0.4**	0.4	0.5
CO_2e per electricity unit sold (kg/kWh) [6]	**0.59**	0.60	0.66
Material Non-Hazardous Waste [7]			
Ash collected for industrial uses (kT) [1]	**60**	82	105
Gypsum collected for industrial uses (kT) [1]	**27**	29	41
Construction waste from major construction projects for reuse (kT)	**23**	22	17
Construction waste from major construction projects for recycle (kT)	**20**	92	19
Construction waste from major construction projects for disposal (kT)	**2**	1	3

Environmental	2025	2024	2023
Material Hazardous Waste [8][9]			
Hazardous waste collected for recycle (kg)	**125,729**	See note 8	See note 8
Waste oil collected for recycle (litre)	**126,760**	71,680	71,270
Other material hazardous waste recorded in weight for recycle (kg)	**14,271**	19,748	26,212
Hazardous waste collected for disposal (kg)	**248,985**	See note 8	See note 8
Waste oil collected for disposal (litre)	**269,460**	78,320	306,378
Other material hazardous waste recorded in weight for disposal (kg)	**17,012**	7,673	9,001
Water Consumption/Discharge			
Seawater withdrawal & discharge (million m^3)	**1,559**	1,618	1,749
Town water consumption (million m^3) [10]	**1.19**	1.22	1.51
Wastewater discharge (million m^3) [1]	**0.14**	0.15	0.18
Recycling of plant effluent and rainwater (million m^3) [1]	**0.12**	0.12	0.11
% of water recycled and reused [1]	**10.1%**	10.2%	7.3%
Noise Abatement Notice			
Number of notices received	**0**	0	0
Certificate Accreditation			
Number of ISO 14001 certificates	**3**	3	3
Number of ISO 50001 certificates	**1**	1	1

Notes:

[1] For power generation only.

[2] Fuel oil is mainly used for starting and flame stabilisation of coal-fired units and hence specific breakdown for fuel oil is not given.

[3] Starting from 2023, mercury emissions are reported with reference to the Sustainability Accounting Standards Board ("SASB") Standards for Electric Utilities and Power Generators.

[4] All greenhouse gas ("GHG") emissions figures are independently verified according to the International Standard ISO 14064. For calculation methodologies, please refer to the Greenhouse Gas Accounting Methodology.

[5] Integrated upstream emission factors covering extraction, production and transportation are used in the quantification of Cat. 1–3 emissions and therefore Cat. 4 emissions are covered in Cat. 1–3 emissions.

[6] HK Electric's GHG emissions intensity refers to the total of direct (Scope 1) GHG emissions and indirect (Scope 2) GHG emissions per unit of electricity sold.

[7] HK Electric's material non-hazardous waste streams are ash and gypsum generated from power generation and construction waste generated from major construction projects managed under the mandatory construction waste disposal charging scheme. All ash and gypsum generated were collected for industrial use, while all construction waste generated was reused, recycled or disposed of.

[8] HK Electric's material hazardous waste streams are those required to be managed under the mandatory trip ticket systems. All these waste streams generated were collected by licensed waste collectors for recycle or disposal at licensed waste management facilities. Starting from 2025, the amount of liquid hazardous waste is converted to weight for inclusion in the total hazardous waste figures.

[9] Increase in waste amount in 2025 was due to demolition works of L1 to L3 and replacement of insulation oils of transformers.

[10] Town water is provided by the Water Supplies Department of the Hong Kong Special Administrative Region ("HKSAR") Government. Please refer to Water Supplies Department's website for information about the source of water.

[11] Figures may not add up to the total due to rounding.

Operations	2025	2024	2023
Customer Service			
Number of customers (thousands) [1]	**599**	593	589
Residential (thousands)	**477**	475	474
Commercial (thousands)	**117**	113	110
Industrial (thousands)	**5**	5	5
Average rating of customer satisfaction level (5-point scale)	**4.8**	4.8	4.7
Number of pledged service standards and percentage achieved	**18 (100%)**	18 (100%)	18 (100%)
Product or service related complaints received (no. of case)	**3**	1	5
Substantiated complaints received concerning breaches of customer privacy (no. of complaint)	**0**	0	0
Installed Capacity			
Total Generation Capacity (MW)	**3,083**	3,083	3,403
Gas (MW) [2]	**1,475**	1,475	1,095
Coal & oil (MW) [2] [3]	**1,605**	1,605	2,305
Renewable energy (MW) [4]	**3.3**	3.2	3.2
Total Renewable Energy Installations under Feed-in Tariff Scheme (MW)	**15.1**	13.4	10.8
Plant Availability [2]			
Total (%)	**83.8**	84.8	89.4
Gas (%)	**84.3**	88.1	88.2
Coal & oil (%) [3]	**83.4**	82.0	90.1
Thermal Efficiency [2]			
Total (%)	**41.8**	41.5	39.3
Gas (%)	**48.4**	48.6	48.4
Coal & oil (%) [3]	**32.0**	31.7	31.7
Electricity Sent Out [5]			
Total (GWh)	**10,256**	10,518	10,425
Gas (GWh) (%) [2]	**7,072 (69%)**	7,142 (68%)	5,870 (56%)
Coal & oil (GWh) (%) [2] [3]	**3,167 (31%)**	3,362 (32%)	4,544 (44%)
Renewable energy (GWh) (%)	**15.9 (0.2%)**	13.7 (0.1%)	10.7 (0.1%)
Cable Length			
Total (km)	**7,143**	7,047	6,969
Above ground (km)	**39**	37	38
Underground (km)	**7,104**	7,009	6,931
Transmission and Distribution Losses [6]			
Total (%)	**3.3**	3.5	3.7
Transmission losses (%)	**1.2**	1.2	1.2
Distribution losses (%)	**2.1**	2.3	2.5

Operations	2025	2024	2023
Electricity Sold			
Electricity sold (millions of kWh)	**9,916**	10,150	10,040
By types of customers			
Residential (millions of kWh)	**2,387**	2,451	2,384
Commercial (millions of kWh)	**7,252**	7,415	7,369
Industrial (millions of kWh)	**277**	284	288
Energy intensity (per electricity unit sold) [7]	**1.47**	1.49	1.64
Electricity Supply Reliability [8]			
Supply reliability rating (%)	**>99.9999**	>99.9999	>99.9999
System Average Interruption Frequency Index ("SAIFI")	**0.026**	0.029	0.028
System Average Interruption Duration Index ("SAIDI") (hours)	**0.006**	0.006	0.005
Customer Average Interruption Duration Index ("CAIDI") (hours)	**0.219**	0.203	0.190
Unplanned customer minutes lost (minutes)	**0.3**	0.4	0.3
Certificate Accreditation			
Number of ISO 9001 certificates	**8**	8	8
Number of ISO 27001 certificates	**1**	1	1
Number of ISO 55001 certificates	**2**	2	2

Notes:

[1] Almost all points of connection were of distribution type. The number of customers who are also producers, i.e. customers who produce electricity to the grid, is insignificant as compared to the total number of customers.

[2] For power generation only.

[3] Fuel oil is mainly used for starting and flame stabilisation of coal-fired units and hence specific breakdown for fuel oil is not given.

[4] The total installed capacity of renewable energy ("RE") includes the Lamma Winds, solar power system at LPS and other RE installations on HK Electric's premises on Hong Kong Island.

[5] Electricity sent out refers to the electricity sent out from our grid, which includes those from our power plants and RE systems, as well as our customers' RE systems under the Feed-in-Tariff Scheme.

[6] Non-technical losses are assumed to be insignificant.

[7] The energy intensity refers to the energy consumed, excluding the electricity sold by HK Electric, in the course of generation, transmission and distribution of electricity, per unit of electricity sold.

[8] The calculation is based on the Scheme of Control Agreement as agreed with the local government. In 2023, the supply reliability rating, SAIFI, SAIDI, CAIDI and unplanned customer minutes lost were >99.999%, 0.103, 0.057 hours, 0.554 hours and 3.4 minutes, respectively, when the 19 April power interruption is included.

[9] Figures may not add up to the total due to rounding.

Social	2025	2024	2023
Workforce Profile [1]			
Total workforce (no. of employee)	**1,807**	1,841	1,852
By employment types			
Full-time (no. of employee)	**1,796**	1,824	1,834
Part-time & temporary (no. of employee)	**11**	17	18
By gender [2]			
Male (no. of employee) (%)	**1,405 (78.2%)**	1,441 (79.0%)	1,451 (79.1%)
Female (no. of employee) (%)	**391 (21.8%)**	383 (21.0%)	383 (20.9%)
By age group [2]			
Age 30 or below (no. of employee) (%)	**296 (16.5%)**	333 (18.3%)	336 (18.3%)
Age 31–40 (no. of employee) (%)	**562 (31.3%)**	520 (28.5%)	493 (26.9%)
Age 41–50 (no. of employee) (%)	**336 (18.7%)**	347 (19.0%)	361 (19.7%)
Age 51 or above (no. of employee) (%)	**602 (33.5%)**	624 (34.2%)	644 (35.1%)
By employment contract [2]			
Permanent (no. of employee) (%)	**1,635 (91.0%)**	1,649 (90.4%)	1,657 (90.3%)
Contract (no. of employee) (%)	**161 (9.0%)**	175 (9.6%)	177 (9.7%)
By employee category [2]			
Senior staff (no. of employee) (%)	**150 (8.4%)**	153 (8.4%)	154 (8.4%)
General staff (no. of employee) (%)	**1,574 (87.6%)**	1,589 (87.1%)	1,581 (86.2%)
Workman (no. of employee) (%)	**72 (4.0%)**	82 (4.5%)	99 (5.4%)
New Hires [2]			
Total number and rate of new hires (%)	**104 (5.8%)**	152 (8.3%)	181 (9.9%)
By gender			
Male (no. of employee) (%)	**76 (5.4%)**	110 (7.6%)	122 (8.4%)
Female (no. of employee) (%)	**28 (7.2%)**	42 (11.0%)	59 (15.4%)
By age group			
Age 30 or below (no. of employee) (%)	**40 (13.5%)**	72 (21.6%)	71 (21.1%)
Age 31–40 (no. of employee) (%)	**25 (4.4%)**	40 (7.7%)	41 (8.3%)
Age 41–50 (no. of employee) (%)	**9 (2.7%)**	17 (4.9%)	33 (9.1%)
Age 51 or above (no. of employee) (%)	**30 (5.0%)**	23 (3.7%)	36 (5.6%)
Turnover [2] [3]			
Total number and rate of voluntary turnover (no. of employee) (%)	**91 (5.1%)**	127 (7.0%)	179 (9.8%)
By gender			
Male (no. of employee) (%)	**78 (5.6%)**	93 (6.5%)	124 (8.5%)
Female (no. of employee) (%)	**13 (3.3%)**	34 (8.9%)	55 (14.4%)
By age group			
Age 30 or below (no. of employee) (%)	**8 (2.7%)**	21 (6.3%)	49 (14.6%)
Age 31–40 (no. of employee) (%)	**14 (2.5%)**	26 (5.0%)	35 (7.1%)
Age 41–50 (no. of employee) (%)	**4 (1.2%)**	10 (2.9%)	24 (6.6%)
Age 51 or above (no. of employee) (%)	**65 (10.8%)**	70 (11.2%)	71 (11.0%)

Social	2025	2024	2023
Average Employment Tenure of Departing Employees [2]			
By gender			
Male (year)	**25.1**	8.8	8.2
Female (year)	**18.3**	8.4	5.5
By age group			
Age 30 or below (year)	**2.5**	2.3	2.0
Age 31–40 (year)	**7.5**	5.1	4.1
Age 41–50 (year)	**1.5**	2.9	13.7
Age 51 or above (year)	**31.7**	25.3	27.9
Parental Leave [2]			
Total number of employees entitled to parental leave	**1,796**	1,824	1,834
By gender			
Male (no. of employee)	**1,405**	1,441	1,451
Female (no. of employee)	**391**	383	383
Return to work rates			
Male (%)	**100.0%**	100.0%	100.0%
Female (%)	**100.0%**	100.0%	100.0%
Retention rates			
Male (%)	**96.4%**	95.8%	95.8%
Female (%)	**100.0%**	100.0%	100.0%
Gender Pay Ratio (Female to Male) [2]			
Overall (%)	**81.7%**	83.2%	83.0%
By employee category			
Senior staff (%)	**90.4%**	97.8%	95.0%
General staff (%)	**85.2%**	84.6%	85.0%
Workman (%)	**66.8%**	66.9%	58.0%

Social	2025	2024	2023
Development and Training [2]			
Total training hours (hours)	**69,434**	69,187	55,524
Average training hours per employee (hours)	**39**	38	31
By gender			
Male (hours)	**39.1**	39.6	31.8
Female (hours)	**37.4**	32.7	28.3
By employee category			
Senior staff (hours)	**36.3**	34.4	28.2
General staff (hours)	**39.9**	39.2	32.1
Workman (hours)	**17.4**	26.2	15.2
Overall percentage of employees trained (%)	**99.9%**	99.3%	97.5%
By gender			
Male (%)	**99.9%**	99.7%	97.9%
Female (%)	**100.0%**	97.7%	95.8%
By employee category			
Senior staff (%)	**100.0%**	100.0%	98.7%
General staff (%)	**99.9%**	99.4%	98.4%
Workman (%)	**100.0%**	96.3%	80.8%
Occupational Health & Safety [4]			
Number of fatalities (no. of cases)	**0**	0	0
Number of Lost Time Injuries	**3**	3	2
Lost Time Injury Frequency Rate (LTIFR) (per 200,000 employee-hours)	**0.17**	0.17	0.11
Number of days lost/charged (no. of employee-days) [5]	**52**	40	3
Lost Time Injury Severity Rate (LTISR) (per 200,000 employee-hours) [5]	**3.01**	2.28	0.17
Longest period without a Lost Time Injury (no. of days)	**304**	296	158
Number of reported traffic accidents (no. of cases)	**15**	10	6
Traffic Accident Frequency Rate (TAFR) (no. of cases per million km travelled)	**9.0**	6.0	3.6
Number of cases of occupational diseases (no. of cases)	**0**	0	0
Number of hours worked (hours)	**3,457,643**	3,512,436	3,538,258
Number of ISO 45001 certificates	**3**	3	3

Notes:

[1] Our operations are based in Hong Kong.

[2] The reported figures apply to full-time employees only.

[3] Voluntary turnover applies to full-time employees only. Voluntary employee turnover refers to the proportion of employees who leave an organisation voluntarily or due to retirement.

[4] For our employees only. For our contractors' safety statistics, please refer to the GRI Content Index.

[5] For lost time injuries in which disability continued beyond the closing date (31 December) of a specific year, days lost of the year were estimated on the basis of medical opinion as to probable ultimate disability.

[6] For other social data, please refer to the GRI Content Index.

[7] For economic/financial data, please refer to our Annual Report.

[8] Figures may not add up to the total due to rounding.

Greenhouse Gas Accounting Methodology

Greenhouse Gas ("GHG") Reporting Standards and Guidelines

HK Electric's GHG emissions are measured in accordance with the following international standards and guidelines:

- The International Standard ISO 14064-1:2018;
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition);
- Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard;
- Greenhouse Gas Protocol: Technical Guidance for Calculating Scope 3 Emissions (version 1.0);
- The Intergovernmental Panel on Climate Change ("IPCC") Guidelines;
- Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong; and
- Methodologies agreed with the Environmental Protection Department ("EPD") of the Hong Kong Special Administrative Region ("HKSAR") Government.

Compilation bases

HK Electric consolidates its GHG emissions inventory based on the operational control approach. It accounts for all quantified GHG emissions from facilities under the full control of HK Electric, including electricity generation at Lamma Power Station ("LPS") on Lamma Island, transmission and distribution of electricity to Hong Kong Island, Ap Lei Chau ("ALC") and Lamma Island as well as its power system development projects.

Changes from the prior year

We adopted Global Warming Potential ("GWP") values set out in the IPCC Fifth Assessment Report ("AR5"). This approach aligns with the updated methodology for compiling GHG emissions inventories adopted by the HKSAR Government. The appropriateness of the GHG quantification approach including the emission factors, Global Warming Potentials, calculation formula, assumption used is reviewed annually.

Emission Inventory

HK Electric's GHG emissions inventory covers six GHGs specified in the Kyoto Protocol

- Carbon dioxide (CO_2)
- Methane (CH_4)
- Nitrous oxide (N_2O)
- Hydrofluorocarbons (HFCs)
- Sulphur hexafluoride (SF_6)
- Perfluorocarbons (PFCs).

Nitrogen trifluoride (NF_3) – the seventh mandatory gas added under the Kyoto Protocol is irrelevant to our operation.

Methodologies

Scope 1 emissions	
Description	• Stationary combustion sources – Combustion sources arise from use of coal, fuel oil and natural gas during the generation of electricity at the generation facilities of LPS – Other stationary combustion sources such as diesel fire-fighting water pumps and emergency generators • Mobile combustion sources such as vehicles fleet, ferries and on-site vehicles at LPS • Fugitive emissions sources such as refrigeration and air conditioning systems, fire protection systems, fuel-gas systems and electrical power transmission and distribution equipment.
Relevance to HK Electric	All direct GHG emissions sources within HK Electric's organisational boundaries are identified and quantified.
Methodology	• GHG emissions from combustion sources during the generation of electricity at the generation facilities at LPS are calculated based on a document by the EPD of the HKSAR Government as per the statutory requirement. • GHG emissions from combustion sources other than generation facilities and fugitive emissions are calculated in accordance with the IPCC Guidelines or guidelines published by the EPD.

Scope 2 emissions (Location-based)	
Description	GHG emissions sources associated with the production of imported electricity and energy
Relevance to HK Electric	HK Electric is a vertically integrated utility and does not purchase any fossil fuel-based electricity from external sources for its own consumption. Electricity consumed or lost within our operations is generated internally, and its associated Scope 2 emissions are already accounted for in our Scope 1 emissions. To avoid double counting, Scope 2 emissions from imported electricity are reported as zero.

Scope 3 emissions

Scope 3 Category	Applicability (Yes/No)	Relevance to HK Electric	Methodology and Emission Factors
1 Purchased goods and services	**Yes**	Extraction of raw materials, production and transportation of products and services used by HK Electric	Except for freshwater processing: • Emissions are quantified using the spend-based method. • Emission factors covering extraction of raw materials, production and transportation are applied to the expenditure on the purchased goods and services. • Source of emission factors for purchased goods and services other than freshwater processing: Table 13 Indirect emissions from the supply chain, Department for Environment, Food and Rural Affairs (Defra), UK Government, 2014.
			Freshwater processing: • Emissions are quantified using supplier-specific method. • Emission factor is applied to freshwater consumption. • Source of emission factor for freshwater processing: Annual Report of Water Services Department.

Scope 3 emissions				
Scope 3 Category		**Applicability (Yes/No)**	**Relevance to HK Electric**	**Methodology and Emission Factors**
2	Capital goods	**Yes**	Extraction of raw materials, production and transportation of capital goods	• Upstream emissions are quantified using the spend-based method. • Emission factors covering extraction of raw materials, production and transportation are applied to the expenditure on the capital goods. • Source of emission factors: Table 13 Indirect emissions from the supply chain, Department for Environment, Food and Rural Affairs (Defra), UK Government, 2014.
3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	**Yes**	Extraction, production and transportation of fuels used for electricity generation and daily operation	Coal and oil: • Upstream emissions (Well-to-Tank, WTT) are assessed using the supplier-specific method. • Emission factors covering extraction, production and transportation are applied to the consumed quantities of coal and oil used for electricity generation. • Source of emission factors: coal suppliers, oil suppliers and shipping service suppliers.
				LNG: • Upstream (WTT) emissions are assessed using the average-data method. • Emission factor covering extraction, production and transportation is applied to the consumed quantities of LNG used for electricity generation. • Source of emission factors: UK Government GHG Conversion Factors for Company Reporting 2025.
				Diesel, petrol and LPG: • Upstream (WTT) emissions are assessed using the average-data method. • Emission factors covering extraction, production and transportation are applied to the consumed quantities of fuels used for daily operation including other stationary and mobile facilities. • Source of emission factors: UK Government GHG Conversion Factors for Company Reporting 2025.
4	Upstream transportation and distribution	**Yes**	Transportation of purchased goods and services, capital goods and fuels used for electricity generation and daily operation	Upstream emissions due to transportation of purchased goods and services, capital goods and fuels used for electricity generation, and daily operation are included in Cat. 1-3 respectively instead of Cat. 4 because integrated upstream emission factors covering extraction, production and transportation are used for emissions quantification.

Scope 3 emissions				
Scope 3 Category		**Applicability (Yes/No)**	**Relevance to HK Electric**	**Methodology and Emission Factors**
5	Waste generated in operations	**Yes**	Handling of ash and gypsum	• Ash and gypsum are the major by-products of HK Electric and they are regularly collected for use by other industries. • Emissions are quantified using the contractor-specific method. • Emission factors are applied to the quantities of ash and gypsum collected for use by other industries. • Emission factors source: ash and gypsum recycling facility.
6	Business travel	**Yes**	Employees' business travel by air	• Emissions are quantified using key traveling information provided by airline companies and relevant emission factors. • Emission factors source: WWF's Hong Kong Carbon Calculator.
7	Employee commuting	**Yes**	Commuting bus services, ferries services by contractor	• Emissions are quantified using fuel oil consumption provided by contractors and relevant emissions factors. • Emission factors source: EPD Guidelines and IPCC Guidelines.
8	Upstream leased assets	**No**	Explanation: HK Electric does not have operation of leased assets not included in our Scope 1 & 2 inventories.	
9	Downstream transportation and distribution	**No**	Explanation: Electricity is the main product of HK Electric. Transportation, transmission and distribution of electricity do not involve vehicles or facilities that are not owned or controlled by HK Electric.	
10	Processing of sold products	**No**	Explanation: Electricity is HK Electric's main product, it is a final product without further processing requirements.	
11	Use of sold products	**No**	Explanation: Electricity is HK Electric's main product, there are no GHG emissions from the end use of electricity.	
12	End-of-life treatment of sold products	**No**	Explanation: Electricity is HK Electric's main product, there is no end-of-life treatment required.	
13	Downstream leased assets	**No**	Explanation: HK Electric does not have operation of assets that are leased to other entities not included in our Scope 1 & 2 inventories.	
14	Franchises	**No**	Explanation: HK Electric does not have any franchising business.	
15	Investments	**No**	Explanation: HK Electric does not have operation of investments not included in our Scope 1 & 2 inventories.	

Awards and Recognition

It is encouraging that our ongoing efforts have been widely recognised with various awards in the areas of quality, health and safety, environmental protection, community involvement, customer service and corporate and staff achievements. For a full list of our awards in 2025, please refer to our Annual Report.











Independent Assurance

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
香 港 品 質 保 證 局

Independent Assurance Report

1. Introduction

Hong Kong Quality Assurance Agency ("HKQAA", "we", "our", "us") was engaged by HK Electric Investments and HK Electric Investments Limited ("HKEI", "the Company") to conduct an independent assurance of the sustainability disclosures presented in the Sustainability Report 2025 ("the Report") for the reporting period from 1 January 2025 to 31 December 2025 and issue this Independent Assurance Report. For the avoidance of doubt, all Appendices of this Independent Assurance Report are hereby incorporated by reference and form an integral part of this Independent Assurance Report.

The objective of this sustainability assurance service is to provide an independent opinion, with a limited level of assurance, on whether the sustainability disclosures have been prepared in accordance with the following reporting criteria:

- The Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited.
- The Global Reporting Initiative's ("GRI") Sustainability Reporting Standards ("GRI Standards") and Electric Utilities Sector Disclosures.

The assurance team also reviewed whether the sustainability disclosures have been prepared with reference to:

- The Sustainability Accounting Standards Board ("SASB") Standards for Electric Utilities and Power Generators.

For the avoidance of doubt, our sustainability assurance activities and the Independent Assurance Report are subject at all times to the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities as set out under Appendix A. Appendix A is also available on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

2. Assurance Methodology

HKQAA's assurance procedure was conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board ("IAASB").

The evidence gathering processes were designed to obtain a limited level of assurance, as set out in ISAE 3000, using a risk-based approach.

Our assurance procedures included, but were not limited to:

- Reviewing sustainability-related policies, procedures, documentation, and records provided by the Company, including those related to climate-related governance, strategy, risk management, and metrics and targets.
- Interviewing key management and personnel of the Company, who are responsible for sustainability governance and reporting.
- Conducting analytical reviews of disclosures for plausibility and consistency with sector benchmarks, relevant external frameworks, and internal supporting data.

- Selecting representative samples of disclosures, with the consideration of materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling.
- Evaluating the transparency of disclosed assumptions, dependencies, and boundaries.
- Assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

3. Conclusion

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions, nothing has come to our attention that causes us to believe that the sustainability disclosures in the Sustainability Report 2025 of HKEI for the reporting period from 1 January 2025 to 31 December 2025 are not presented, in any material respects, in accordance with the requirements of the ESG Reporting Code, GRI Standards and GRI's Electric Utilities Sector Disclosures, and with reference to the SASB Standards for Electric Utilities and Power Generators.

This Independent Assurance Report is made solely for the use of HKEI and the users of its Sustainability Report 2025 for the purpose of assessing if the sustainability disclosures have been prepared in accordance with and with reference to the reporting criteria set out in the Introduction section of this Independent Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Independent Assurance Report is shown or in whose hands it may come. We confirm our independence from HKEI in conducting this engagement.

The engagement leader on the assurance engagement resulting in this Independent Assurance Report is KT Ting.

Signed on behalf of Hong Kong Quality Assurance Agency

Hong Kong Quality Assurance Agency

31 March 2026

Ref: 14987300

港燈電力投資
HK Electric Investments

HK Electric Investments（港燈電力投資）
(as constituted pursuant to a deed of trust on 1 January 2014 under the laws of Hong Kong, the trustee of which is HK Electric Investments Manager Limited（港燈電力投資管理人有限公司）)

and

HK Electric Investments Limited（港燈電力投資有限公司）
(a company incorporated in the Cayman Islands with limited liability)

(Stock Code: 2638)

Share Your Views with Us!

We welcome your feedback on our sustainability performance and this report. Please share your views by completing the feedback form on our corporate website or by contacting us at:

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