



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 the 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 589,000 customers in Hong Kong. It operates a vertically integrated power utility under a Scheme of Control Agreement (SCA)

with the 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. 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 increasing 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.



HK Electric – A Sustainable Future

OUR VISION

To excel in the power business in Hong Kong

OUR MISSIONS

- ▶ To enhance shareholder's 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

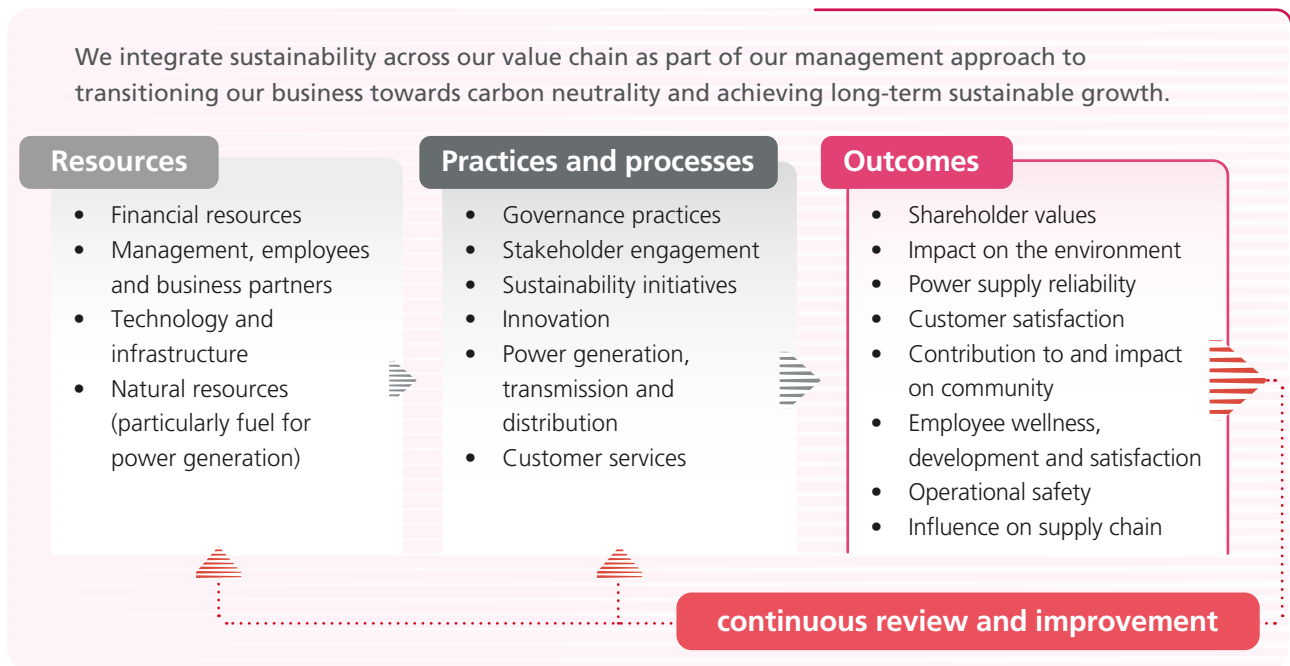
OUR CORE VALUES

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









Our Value Chain

We integrate sustainability across our value chain as part of our management approach to transitioning our business towards carbon neutrality and achieving long-term sustainable growth.



Business Profile (as at the end of 2023)

<p> Service territories Hong Kong Island and Lamma Island</p> <hr/> <p> Installed generating capacity</p> <p>3 gas-fired combined-cycle units: 1,095 MW</p> <p>5 coal-fired units: 1,750 MW</p> <p>1 solar power system: 1.4 MW</p> <p>1 wind turbine unit (known as Lamma Winds): 0.8 MW</p> <p>Other small-scale RE installations: 1 MW</p> <p>5 oil-fired gas turbine units (for peak-logging): 555 MW</p> <p style="text-align: right;">Total 3,403 MW</p>	<p> Transmission and distribution network</p> <p>High-voltage circuit length: 446 km</p> <p>Medium-voltage circuit length: 4,281 km</p> <p>Low-voltage circuit length: 2,241 km</p> <p style="text-align: right;">Total 6,969 KM</p> <hr/> <p> Operations</p> <p>Number of customers: >589,000</p> <p>Electricity sold: 10,040 million kWh</p> <hr/> <p> Workforce</p> <p>Number of permanent employees: 1,657</p> <p>Number of contract employees: 177</p> <hr/> <p> Economic contribution</p> <p>Total capital expenditure: \$4,447 million</p> <p>Distributable income: \$2,830 million</p>
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Notes: Reported figures may not add up to the total due to rounding.



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 corporate governance and high ethical standards.

Our Sustainability Framework facilitates consistent implementation of sustainability practices in line with our Sustainability Policy and other key corporate policies and business priorities. Recently, we have reviewed and revised the Sustainability Framework and Policy. The framework now contains 15 focus areas representing the most material topics for HKEI and its stakeholders. These are organised into four strategic pillars based on our business nature with clear interlinkages to the United Nations' Sustainable Development Goals. The Framework helps us translate our values and commitments into measurable actions and targets, enabling consistent monitoring and evaluation of our performance and clear communication with our stakeholders.



Sustainability Governance Structure



Our commitment to sustainability cascades from the top of our organisation:

- ▶ Accountability for overall sustainability strategy, management, performance and reporting resides with the Board.
- ▶ The Board has delegated responsibility to its Sustainability Committee for overseeing development and implementation of sustainability initiatives, including reviewing related policies and practices and evaluating sustainability risks and opportunities. The Sustainability Committee also advises the Board on public communication and disclosures concerning the Group's sustainability performance and environmental and social impacts, including the annual Sustainability Report. The Sustainability Committee's [Terms of Reference](#) is available on our corporate website.
- ▶ At management level, the Sustainability Management Committee supports the Sustainability Committee in fulfilling its responsibilities. The Sustainability Management Committee meets quarterly and is chaired by the Chief Executive Officer. It drives and coordinates the Group's sustainability efforts and promotes understanding of sustainability within the Group.



Sustainability Management Committee



Rear

Alex Ng

Group Legal Counsel and Company Secretary

Wong Kim Man

Chief Financial Officer

Mimi Yeung

General Manager (Public Affairs)

Dennis Wu

General Manager (Human Resources)

Front

Kwan Ying Leung

Engineering Director

Francis Cheng

Chief Executive Officer

Bill Ho

General Manager (Corporate Development)

In 2023, the following issues were discussed at Sustainability Management Committee meetings and reported to the Sustainability Committee:



Policies and risk management on ESG matters



Sustainability goals, targets and performance



Climate-related studies and disclosures



Studies on biodiversity and water stress



Stakeholder engagement and community investment



Materiality assessment and sustainability reporting

As part of our commitment to continuous improvement, we participate in local and global benchmarking initiatives such as MSCI ESG Rating, S&P ESG Rating and Morningstar Sustainalytics ESG Risk Rating. As a result, HKEI has been showcased 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 values

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 including those related to climate change effectively
- 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 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 service
- 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 continuously
- 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



Materiality

We implement a robust process for updating our materiality assessment on a regular basis. The Sustainability Management Committee and Sustainability Committee review and endorse the outcomes of this process and receive updates on progress towards relevant goals and targets to evaluate our performance.

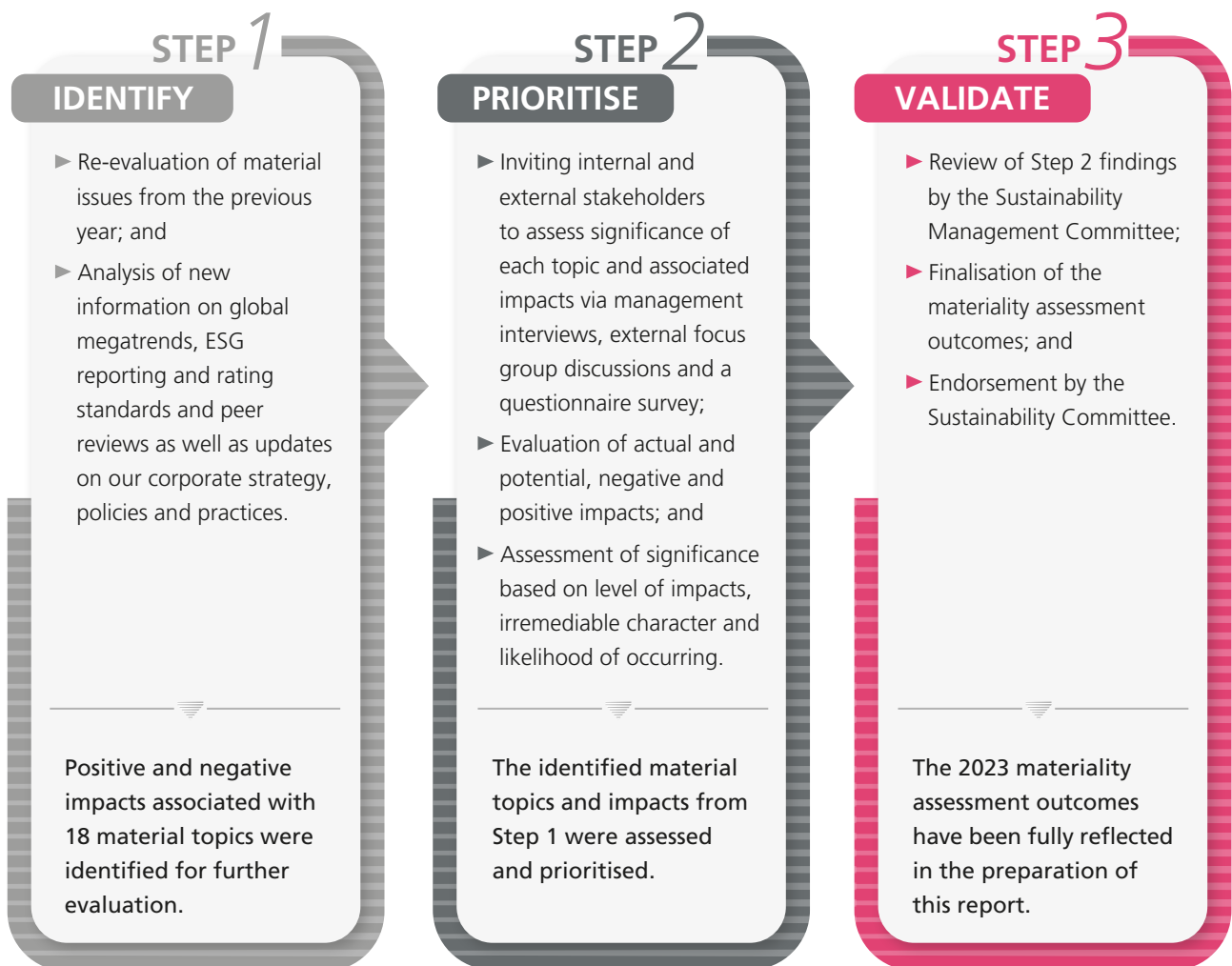
In 2023, we conducted a materiality assessment including a broader survey involving internal and external stakeholders, one-to-one management interviews and discussions with external focus groups. Our assessment approach has followed widely adopted sustainability reporting frameworks such as

GRI's Sustainability Reporting Standards with reference to our previous materiality assessments and stakeholder engagement exercises. A total of 18 material topics have been identified, evaluated and prioritised.

The outcomes of the materiality assessment help us refine our goals and targets and allocate our resources more effectively so that we can create shared values for the Group and our stakeholders.



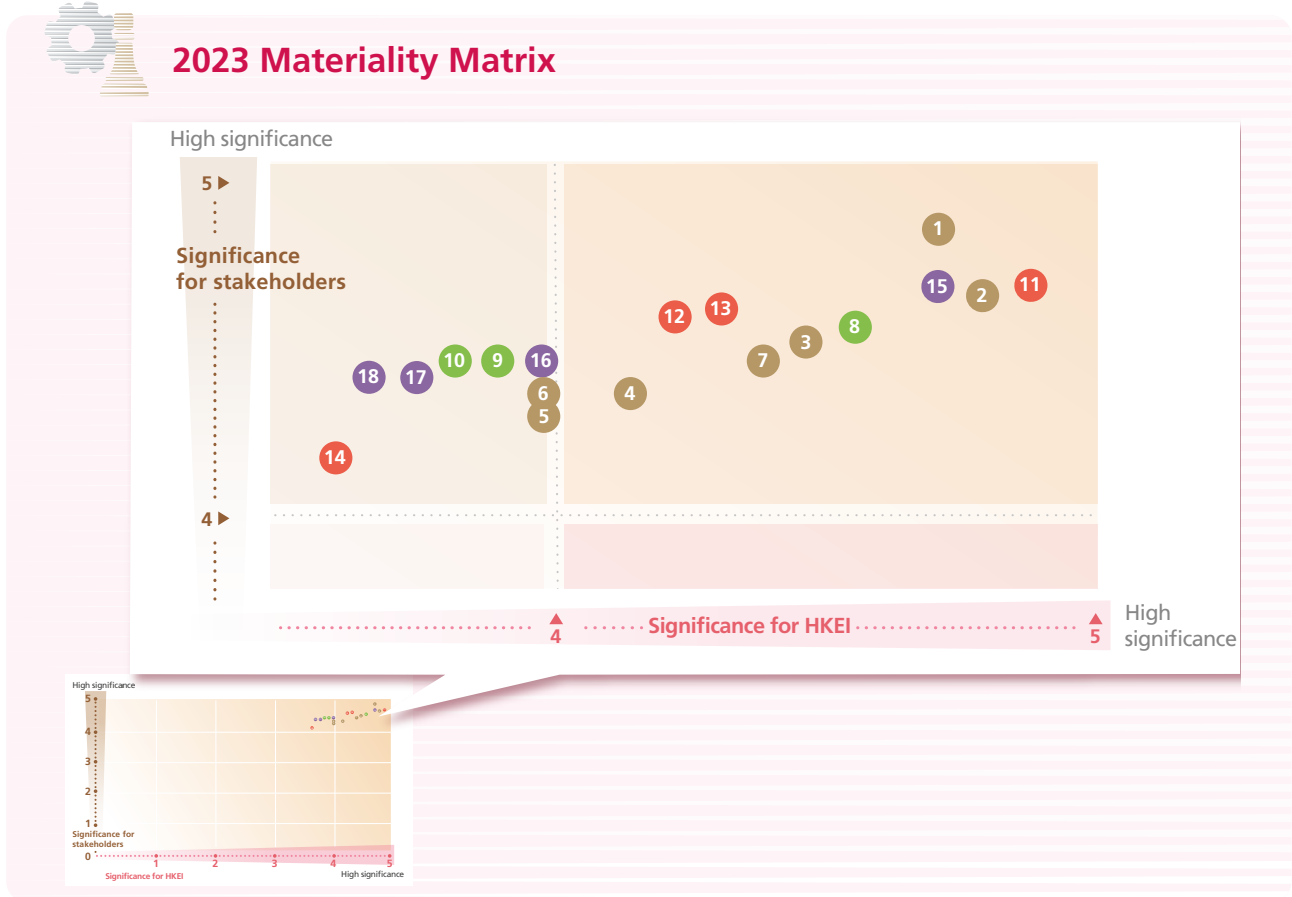
2023 Materiality Assessment Process





2023 Materiality Matrix

The materiality matrix below summarises the relative importance of the 18 material topics according to their significance for HKEI and its stakeholders. 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 (1.4)
 - 6 Fostering innovation to drive initiatives (1.5)
 - 7 Strengthening climate resilience and adaptation strategies (1.3)

- Sharing our Planet**
- 8 Combatting climate change (1.3, 2.1)
 - 9 Implementing responsible environmental management for a circular economy (2.2, 3.2)
 - 10 Promoting low-carbon behaviour (2.3)

- Serving Hong Kong**
- 11 Ensuring supply reliability and asset integrity (3.1)
 - 12 Facilitating access to electricity and promoting affordability (3.1)
 - 13 Safeguarding customer privacy, health and service quality (3.2, 4.3)
 - 14 Promoting community relations and investments (2.3, 3.3)

- Working with Partners**
- 15 Prioritising occupational health and safety (4.3)
 - 16 Managing human capital effectively (1.2, 4.1, 4.2)
 - 17 Establishing a sustainable supply chain (1.2, 4.1, 4.4)
 - 18 Upholding and managing human rights (1.2, 4.1)



2023 Materiality Assessment Outcomes

Impacts of the material topics identified are listed below in descending order of impact level under each strategic direction of our Sustainability Framework.



Running a Sustainable Business

 POSITIVE IMPACT	Material Topic	NEGATIVE IMPACT
<ul style="list-style-type: none"> Minimise disruption to the local economy/communities caused by critical events through effective contingency planning. 	Bolstering contingency preparedness	May result in catastrophic consequences for workers, local communities and the environment, if failing to respond promptly and effectively to critical incidents.
<ul style="list-style-type: none"> Reduce potential loss of life, damage to property and infrastructure, and economic disruption by enhancing preparedness for climate-related impacts. 	Strengthening climate resilience and adaptation strategies	Result in potential threats to life and property, if failing to strengthen climate resilience and adaptation strategies.
<ul style="list-style-type: none"> Promote integrity among employees, suppliers, contractors and other business partners and gain trust from key stakeholders, such as investors and customers. 	Upholding business ethics	Impact the way employees, suppliers, contractors and other business partners do their job and reduce public trust in the fairness and integrity of businesses in the industry, if failing to maintain a high standard of ethics.
<ul style="list-style-type: none"> Provide direction on how the Group achieves its goals, controls risk, benefits its stakeholders and the natural environment and creates and safeguards long-term shareholder values. 	Strengthening climate resilience and adaptation strategies	May require significant financial resources to mitigate damage caused by extreme weather events.
<ul style="list-style-type: none"> Support transformation of the energy industry to a low-carbon economy through ongoing commitment to innovation and collaboration with stakeholders. 	Ensuring effective corporate governance	Heighten exposure to legal, regulatory and reputational risks, which in turn impacts shareholder values and by extension the wider community, if effective governance is not in place.
<ul style="list-style-type: none"> Achieve economic, social and environmental enhancement through robust business planning and development that ensures a reliable and sustainable power supply. 	Fostering innovation to drive initiatives	Impede the advancement of low-carbon transition and the realisation of 2050 carbon neutrality goal, if failing to implement innovation and digital transformation projects.
<ul style="list-style-type: none"> Promote social and economic development of society, increase public awareness of sustainability and build mutual understanding and trust with stakeholders. 	Enhancing economic performance	May impose economic, social and environmental burden on local communities if failing to sustain and improve the Group's economic performance.
<ul style="list-style-type: none"> Promote social and economic development of society, increase public awareness of sustainability and build mutual understanding and trust with stakeholders. 	Engaging with stakeholders	Reduce ability to promote stakeholder ownership and support for sustainable development, if failing to communicate effectively.



Sharing our Planet



POSITIVE IMPACT

- Help alleviate climate change and in turn benefit society by reducing GHG emissions through increasing gas-fired generation, phasing out coal-fired generation and supporting zero-carbon energy applications such as RE.
- Safeguard the well-being of ecosystems and communities by minimising our environmental footprint.
- Boost economic activities and provide new employment opportunities and skills development throughout the course of low-carbon transition.
- Reduce GHG emissions through energy saving.
- Reduce waste generation and extend the lifespan of products, leading to improved resource efficiency and lower environmental impacts associated with resource disposal.

Material Topic

Combatting climate change

Implementing responsible environmental management for a circular economy

Combatting climate change

Promoting low-carbon behaviour

Implementing responsible environmental management for a circular economy

NEGATIVE IMPACT

Lead to air pollution and anthropogenic climate change, which affects all of society and causes negative impacts on the health, lives, livelihoods and human rights of millions of people, if continuing to rely on coal-fired power generation.

Pose harmful environmental and health impacts to the ecosystems and communities in proximity to operating sites, if environmental impacts are not managed responsibly.

Pose potential impacts on workers and local communities, e.g., due to closure of coal-related facilities for transition to a low-carbon economy, if there are inadequate provisions for a just transition.

Result in potential pushback from the community for substantial costs involved in decarbonisation initiatives, if no provision for energy saving is provided.





Serving Hong Kong



POSITIVE IMPACT

- Deliver a reliable power supply to support the social and economic development of local communities.
- Enhance customer trust and satisfaction by delivering high quality services and strictly protecting personal data.
- Ensure that even low-income and vulnerable households can enjoy reliable and affordable electricity.
- Encourage and promote effective public, public-private and civil society partnerships to build an inclusive and sustainable community.

Material Topic

- Ensuring supply reliability and asset integrity
- Safeguarding customer privacy, health and service quality
- Facilitating access to electricity and promoting affordability
- Promoting community relations and investments

NEGATIVE IMPACT

- Cause disruptions to society and the economy due to unreliable power supply.
- May lead to bad customer experiences and leakage/misuse of personal data or unauthorised access to such data, if suitable policies and initiatives are not in place.
- Increase the number of households living under the energy poverty line and limit business growth, if failing to ensure accessible and affordable electricity for those in need.
- Give rise to potential dissatisfaction of community members with the Group's business operations and development, due to lack of consultation and collaboration.

Working with Partners



POSITIVE IMPACT

- Promote greater hazard awareness, improve risk management, prevent illness and promote healthy lifestyles, hence providing lasting benefits for workers, their families and the public.
- Promote respect for human rights and build trust with stakeholders.
- Promote sustained and inclusive economic growth and personal, social and economic well-being through providing stable and decent jobs and expanding the knowledge and skills of colleagues.
- Promote social and environmental responsibility throughout our supplier network.

Material Topic

- Prioritising occupational health and safety
- Upholding and managing human rights
- Managing human capital effectively
- Upholding and managing human rights
- Establishing a sustainable supply chain

NEGATIVE IMPACT

- Increase the risk of work-related illness, injury and death, if failing to implement sufficient health and safety procedures.
- Lead to reduction in decent job opportunities and negative impacts on operations, if failing to effectively manage human capital.
- May result in infringement of human rights, if failing to effectively manage human rights issues.
- Increase negative social and environmental impacts if suppliers fail to adopt adequate management policies and practices.



Sustainable Development Goals and Targets

HKEI supports the United Nations’ 2030 Agenda for Sustainable Development and 17 Sustainable Development Goals (SDGs), which aim to end poverty, protect the planet and ensure peace and prosperity for all people by 2030. In 2019, we identified three SDGs that align most closely with our corporate strategy and business priorities. These are Affordable and Clean Energy (Goal 7), Industry, Innovation and Infrastructure (Goal 9) and Climate Action (Goal 13). We established targets to gauge our progress towards helping achieve these three SDGs and report annually on our performance against these targets.

In 2023, we conducted a review of our potential contribution to the 17 SDGs based on our latest developments. As a result, we included three more SDGs in our pledge, namely Decent Work and Economic Growth (Goal 8), Sustainable Cities and Communities (Goal 11) and Responsible Consumption and Production (Goal 12). We also established a new set of targets to evaluate our contribution towards realising all six SDGs.

In addition, we seek to align our sustainability efforts with other SDGs to make an even greater impact across our value chain.

Progress on Targets Previously Set for Three Material SDGs

7
AFFORDABLE AND
CLEAN ENERGY

Goal 7:
Affordable and Clean Energy

Our targets

Status in 2023

<p>Maintain a safe and reliable electricity supply:</p> <ul style="list-style-type: none"> ▶ Maintain a yearly supply reliability rating of better than 99.999% 	<p>..... ACHIEVED</p>
<p>Gain access to diverse and cost-competitive liquefied natural gas (LNG) supplies worldwide to alleviate considerable pressure on electricity tariffs due to increased consumption of natural gas:</p> <ul style="list-style-type: none"> ▶ Commission the offshore LNG terminal in 2023 	<p>..... ACHIEVED</p>
<p>Provide subsidies to underprivileged households for adopting energy-efficient electrical appliances:</p> <ul style="list-style-type: none"> ▶ Subsidise 4,000 households by 2023 	<p>..... ACHIEVED</p>
<p>Increase the use of RE:</p> <ul style="list-style-type: none"> ▶ Increase the aggregate electricity generated from RE sources of HK Electric and its customers to over 9 GWh/year by 2023 	<p>..... ACHIEVED</p>
<p>Provide free energy audits for non-residential customers and subsidies to building owners for implementing energy efficiency enhancement projects:</p> <ul style="list-style-type: none"> ▶ Complete 1,000 audits and subsidise 500 buildings by 2023 	<p>..... ACHIEVED</p>

Status in 2023 **ACHIEVED** **IN PROGRESS** **NOT ACHIEVED**



Goal 9:

Industry, Innovation and Infrastructure

Our targets

Status in 2023

Enhance asset integrity in the face of climate change:

ACHIEVED

- ▶ Complete anti-flooding enhancement for low-lying substations within 100 m of Hong Kong Island northern coastal line by 2021

Deploy smart meters:

IN PROGRESS

- ▶ Complete full-scale smart meter deployment by 2025

The roll-out of smart meters was ~60% complete as at the end of 2023.



Goal 13:

Climate Action

Our targets

Status in 2023

Replace coal-fired units with gas-fired units to reduce carbon emissions:

IN PROGRESS

- ▶ Commission three new gas-fired units, L10, L11 and L12, in 2020, 2022 and early 2024 respectively



L10 and L11 were commissioned in February 2020 and May 2022 respectively, while L12 was synchronised in September 2023 and targeted for finishing the commissioning in early 2024.

Reduce carbon emissions per electricity unit sold:

NOT ACHIEVED

- ▶ Ensure yearly average emissions do not exceed 0.6 kg of CO₂e per kWh by 2023

The yearly average emissions in 2023 was ~0.66 kg of CO₂e per kWh of electricity sold, which was higher than originally expected. This could be attributed to postponed commissioning of the offshore LNG terminal and gas-fired unit, L12, due to unexpected challenges arising from logistic issues during the COVID-19 pandemic.

Engage stakeholders on combatting climate change and adopting low-carbon lifestyles:

ACHIEVED

- ▶ Organise 1,200 education and promotion activities by 2023

Build capacity in HK Electric's supply chain:

ACHIEVED

- ▶ Update Code of Practice for Suppliers to address concerns about climate change in 2020

Status in 2023
 ACHIEVED
 IN PROGRESS
 NOT ACHIEVED



New Targets for Six Material SDGs

7 AFFORDABLE AND CLEAN ENERGY



Goal 7:

Affordable and Clean Energy

Maintain a safe and reliable electricity supply:

- ▶ Maintain a yearly supply reliability rating of better than 99.999%

Alleviate the impact on reliability of fuel supply and the pressure on electricity tariffs due to volatility in global fuel market:

- ▶ Continue to source worldwide cost-competitive fuels of suitable quality to meet fuel demand.

Increase the use of RE:

- ▶ Increase aggregate electricity generated from RE sources of HK Electric and its customers to over 15 GWh/year by 2028

Provide free energy audits for non-residential customers and subsidies to building owners for implementing energy efficiency enhancement projects:

- ▶ Complete 1,000 audits and subsidise 500 buildings during the period from 2024 to 2028

Promote electrification to improve energy efficiency and reduce carbon emissions:

- ▶ 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 electric vehicle (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

8 DECENT WORK AND ECONOMIC GROWTH



Goal 8:

Decent Work and Economic Growth

Encourage innovation and use of new technology for enhancing productivity and operational effectiveness:

- ▶ Continue to introduce innovative problem-solving tools and technology updates to employees through in-house trainings and sharing sessions
- ▶ Continue to introduce innovative initiatives to enhance productivity and operational effectiveness

Ensure employees are paid fairly:

- ▶ Continue to implement a pay-for-performance policy

Promote and incentivise health and safety:

- ▶ Hold at least two webinars and one forum per year
- ▶ Continue to implement a Safety Excellence Scheme and Safe Driving Incentive Scheme

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Goal 9:

Industry, Innovation and Infrastructure

Enhance asset integrity in the face of climate change:

- ▶ 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 2024
 - Phase II: Complete retrofitting work for substations situated outside 100 m of coastline by Q2 2026

Deploy smart meters:

- ▶ Complete full-scale deployment by 2025

11 SUSTAINABLE CITIES AND COMMUNITIES**Goal 11:**Sustainable
Cities and
Communities**Engage business partners & targeted stakeholders on smart zero-carbon caring city & sustainability:**

- ▶ Arrange 100 engagement activities such as workshops and seminars during the period from 2024 to 2028

Reduce emissions of air pollutants from power generation:

- ▶ 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

Support the wider use of EVs to reduce carbon emissions and improve local air quality:

- ▶ Increase the proportion of EVs in the corporate fleet to 55% by 2025

12 RESPONSIBLE CONSUMPTION AND PRODUCTION**Goal 12:**Responsible
Consumption
and Production**Minimise the impact on marine ecology arising from use of seawater for cooling generating units:**

- ▶ Commission a fish deterrent system at No. 5 CW Intake (for Unit L12) at LPS in 2024 to deter fish from swimming too near to the cooling water intake culverts

Conserve natural resources & reduce waste generation:

- ▶ 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

**13** CLIMATE ACTION**Goal 13:**Climate
Action**Replace coal-fired units with gas-fired units to reduce carbon emissions:**

- ▶ Commission a new gas-fired unit, L13, in early 2029

Reduce carbon emissions per electricity unit sold:

- ▶ Ensure yearly average emissions do not exceed 0.5 kg of CO₂e per kWh by 2029

Engage the public on combatting climate change and adopting low-carbon lifestyles:

- ▶ Organise 1,600 education and promotion activities during the period from 2024 to 2028

Build capacity in HK Electric's supply chain:

- ▶ Conduct a Sustainable Procurement Survey with key suppliers in 2024 to enhance their awareness of climate change and related topics















Other Sustainability Targets










HKEI plays a crucial role in supporting Hong Kong’s economic and social development. As a responsible business, we recognise our duty of care for the environment, the community, our employees and other stakeholders. To affirm these commitments, we regularly review our performance and set specific goals and targets.

Outlined below are the targets we set in the areas of Environment, Health & Safety and Partners & Community, in addition to those in support of the SDGs. More specific targets on how we manage climate-related issues, including transition towards net zero, can be found in our [Climate-related Disclosures Report](#).

Status of Targets for 2023

Environment 	
Collect at least 80,000 m ³ of plant effluent and rainwater for reuse at LPS in 2023	
Plant at least one more species of native trees or shrubs at LPS in 2023 to support biodiversity	
Reduce food waste at the canteen of LPS in 2023 as compared to that in 2022	
Reduce fuel usage of vehicle fleet in 2023 as compared to that in 2022	
Increase the proportion of EV mileage in the fleet mileage in 2023 as compared to that in 2022	 ^[1]
Obtain at least one Wastewi\$e Certificate and one Energywi\$e Certificate under the Hong Kong Green Organisation Certification Scheme in 2023	
Conduct retro-commissioning of a building at LPS by 2023	

Health & Safety 	
Achieve a reduction in the Lost Time Injury Frequency Rate in 2023 as compared to the average over the previous three years	 ^[2]
Achieve a reduction in the Lost Time Injury Severity Rate in 2023 as compared to the average over the previous three years	
Obtain at least three Excellent Class Indoor Air Quality (IAQ) Certificates under the Government’s IAQ Certification Scheme in 2023	
Organise a series of health talks and interest classes to enable our employees to maintain a healthy and balanced lifestyle in 2023	

Partners & Community 	
Fulfil all our customer service pledges, embracing supply reliability, speediness of provision of supply and other customer services, including emergency services, in 2023	
Complete at least 200 audits under Smart Power Energy Audit in 2023, particularly for NGOs, schools and SMEs	
Confirm energy efficiency enhancement project subsidies for at least 100 buildings in 2023, including residential buildings, commercial buildings, NGO premises and schools	
Launch a promotion programme on electronic billing and the HK Electric App in 2023 to encourage more customers to switch to electronic services	
Further expand the Plant Ownership Programme at LPS by adding at least one new project in 2023 to enhance plant reliability and availability, and to facilitate development of young engineers	
Support 12,000 senior citizens through various community programmes in 2023	
Engage 45,000 fans via our corporate and campaign Facebook pages in 2023	
Conduct a briefing on environment, social responsibility and cybersecurity aspects to selected suppliers in 2023	

Status

 **ACHIEVED**

 **NOT ACHIEVED**

Notes:

[1] The proportion of EV mileage in the fleet mileage in 2023 was 62.3% (c.f. 62.9% in 2022).

[2] Please refer to the [Working with Partners chapter – Health & Safety section](#).

Targets for 2024

Environment

- Collect at least 80,000 m³ of plant effluent and rainwater for reuse at LPS in 2024
- Plant at least one more species of native trees or shrubs at LPS in 2024 to support biodiversity
- Reduce food waste at the canteen of LPS in 2024 as compared to that in 2023
- Reduce fuel usage per registered non-EV of vehicle fleet in 2024 to a level not more than that in 2023
- Increase total mileage of EV of vehicle fleet to exceed total mileage of non-EV in 2024
- Obtain at least one Wastewi\$e Certificate and one Energywi\$e Certificate under the Hong Kong Green Organisation Certification Scheme in 2024
- Reduce production of ash and gypsum at LPS by 37% in 2024 as compared to that in 2019
- Improve the average Power Usage Effectiveness of two data centres at Electric Centre and Electric Tower by 5% in 2024 as compared to that in 2019
- Conduct retro-commissioning of Hongkong Electric Centre in 2024

Health & Safety

- Achieve a reduction in the Lost Time Injury Frequency Rate in 2024 as compared to the average over the previous three years
- Achieve a reduction in the Lost Time Injury Severity Rate in 2024 as compared to the average over the previous three years
- Obtain at least three Excellent Class IAQ Certificates under the Government's IAQ Certification Scheme in 2024
- Organise a series of health talks and interest classes to enable our employees to maintain a healthy and balanced lifestyle in 2024



HK Electric - Your Partner for a Low-Carbon Future

Partners & Community

- Fulfil all our customer service pledges, embracing supply reliability, speediness of provision of supply and other customer services, including emergency services, in 2024
- Complete at least 200 audits under Smart Power Energy Audit in 2024, particularly for NGOs, schools and SMEs
- Confirm energy efficiency enhancement project subsidies for at least 100 buildings in 2024, including residential buildings, commercial buildings, NGO buildings and schools
- Launch a promotion programme on electronic billing and the HK Electric App in 2024 to encourage more customers to switch to electronic services
- Further expand the Plant Ownership Programme at LPS by adding at least one new project in 2024 to enhance plant reliability and availability, and to facilitate development of young engineers
- Involve 120,000 participants in green education activities in 2024
- Engage 55,000 fans via our corporate and campaign Facebook pages in 2024
- Key divisions/departments perform fraud-risk assessment by 2024 to identify areas prone to fraud risks and enhance employee awareness of fraud risks