

HKEI's Sustainability Report (SR) 2015 – SEHK ESG Content Index

Subject Areas, Aspects, General Disclosure and KPIs		Cross-Reference / Information (WEB – our website; SR – our Sustainability Report; INFO – direct / supplementary information; Figures may not add up to the total due to rounding.)
A. ENVIRONMENTAL		
ASPECT A1	EMISSIONS	
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	<p>WEB: CSR Policy; Environmental Policy</p> <p>SR: Challenges and Strategies – Our Principal Strategies and Stakeholder Engagement; Sustainable Operations – Divider page, Tackling Climate Change, Addressing Air Quality Concerns, Sustaining Natural Resources</p> <p>INFO: No relevant non-compliance was recorded.</p>
KPI A1.1	The types of emissions and respective emissions data.	SR: Key Performance and Targets – Summary of Statistics
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	SR: Key Performance and Targets – Summary of Statistics
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	SR: Key Performance and Targets – Summary of Statistics
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	SR: Key Performance and Targets – Summary of Statistics
KPI A1.5	Description of measures to mitigate emissions and results achieved.	SR: Sustainable Operations – Tackling Climate Change, Addressing Air Quality Concerns, Sustaining Natural Resources; Key Performance and Targets – Targets Achieved in 2015, Summary of Statistics
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	SR: Sustainable Operations – Addressing Air Quality Concerns, Sustaining Natural Resources; Key Performance and Targets – Summary of Statistics

ASPECT A2	USE OF RESOURCES	
General Disclosure	<p>Policies on efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	<p>WEB: CSR Policy; Environmental Policy</p> <p>SR: Challenges and Strategies – Our Principal Strategies and Stakeholder Engagement; Sustainable Operations – Divider page, Tackling Climate Change, Sustaining Natural Resources</p>
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	SR: Key Performance and Targets – Summary of Statistics
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	SR: Key Performance and Targets – Summary of Statistics
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	SR: Sustainable Operations – Tackling Climate Change
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	<p>SR: Sustainable Operations – Sustaining Natural Resources</p> <p>INFO: Freshwater is provided by the Water Supplies Department of the HKSAR Government. Seawater is withdrawn for plant equipment cooling at Lamma Power Station and returned to the sea after proper treatment.</p>
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	<p>INFO: There are no packaging materials due to the nature of our product (viz. electricity).</p>
ASPECT A3	THE ENVIRONMENT AND NATURAL RESOURCES	
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	<p>WEB: CSR Policy; Environmental Policy</p> <p>SR: Challenges and Strategies – Our Principal Strategies and Stakeholder Engagement; Sustainable Operations – Divider page, Tackling Climate Change, Addressing Air Quality Concerns, Sustaining Natural Resources</p>
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	SR: Sustainable Operations – Tackling Climate Change, Addressing Air Quality Concerns, Sustaining Natural Resources
B. SOCIAL		
EMPLOYMENT AND LABOUR PRACTICES		
ASPECT B1	EMPLOYMENT	
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	<p>WEB: CSR Policy; Our People and Values; Equal Opportunities</p> <p>SR: Challenges and Strategies – Our Principal Strategies and Stakeholder Engagement; Employee Care – Divider page, Enhancing Employee Relations</p> <p>INFO: We are committed to abiding by relevant ordinances and statutory requirements, such as Employment Ordinance, ordinances implemented by Equal Opportunities Commission, Employees' Compensation Ordinance, Occupational Retirement Schemes Ordinance and Mandatory Provident Fund Schemes Ordinance.</p> <p>No relevant non-compliance was recorded.</p>

KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	INFO:				
		Age	Senior staff (%)	General staff (%)	Workman (%)	Total (%)
		Age 30 or below	0.0	18.3	0.7	19.0
		Age 31-40	0.1	13.9	1.4	15.4
		Age 41-50	2.1	22.8	2.4	27.3
		Age 51 or above	5.1	23.2	10.0	38.3
		Total	7.4	78.2	14.4	100.0
		Gender	Senior staff (%)	General staff (%)	Workman (%)	Total (%)
		Female	0.7	15.1	1.1	16.8
		Male	6.7	63.1	13.4	83.2
Total	7.4	78.2	14.4	100.0		
Employment contract	Senior staff (%)	General staff (%)	Workman (%)	Total (%)		
Permanent	6.8	70.8	13.9	91.5		
Contract	0.6	7.4	0.6	8.5		
Total	7.4	78.2	14.4	100.0		
Notes: 1. We have around 2,000 employees in total. 2. Our operations are based in Hong Kong.						
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	INFO:				
		Overall voluntary turnover rate (Excluding retirement) (%)	Gender breakdown (%)		Age breakdown (%)	
		4.7	Male	68.1	Age 30 or below	39.6
			Female	31.9	Age 31-40	24.2
					Age 41-50	11.0
Age 51 or above					25.3	
Notes: 1. We have around 2,000 employees in total. 2. Our operations are based in Hong Kong.						
ASPECT B2	HEALTH AND SAFETY					
General Disclosure	Information on:	WEB: CSR Policy ; Health & Safety Policy				
	(a) the policies; and	SR: Challenges and Strategies – Our Principal Strategies and Stakeholder Engagement; Health and Safety – Divider page, Ensuring Safety at Work; Employee Care – Cultivating Employee Wellbeing				
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	INFO:				
	relating to providing a safe working environment and protecting employees from occupational hazards.	No material non-compliance was recorded. However, we were fined HK\$15,000 for an accident happening at Lamma Power Station in October 2014.				
KPI B2.1	Number and rate of work-related fatalities.	SR: Key Performance and Targets – Summary of Statistics				
KPI B2.2	Lost days due to work injury.	SR: Key Performance and Targets – Summary of Statistics				
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	SR: Health and Safety – Divider page, Ensuring Safety at Work; Employee Care – Divider page, Cultivating Employee Wellbeing				
ASPECT B3	DEVELOPMENT AND TRAINING					
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work.	WEB: CSR Policy ; Our People and Values ; Learning & Development				
	Description of training activities.	SR: Challenges and Strategies – Our Principal Strategies and Stakeholder Engagement; Employee Care – Divider page, Nurturing Talent				
	Note: Training refers to vocational training. It may include internal and external courses paid by the employer.					

KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	<p>INFO:</p> <table border="1" data-bbox="603 152 1497 320"> <thead> <tr> <th></th> <th colspan="2">Gender breakdown</th> <th colspan="2">Employee type breakdown</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Percentage of employees trained (%)</td> <td>Male</td> <td>99.3</td> <td>Senior staff</td> <td>98.6</td> </tr> <tr> <td>Female</td> <td>97.6</td> <td>General staff</td> <td>99.0</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Workman</td> <td>99.6</td> </tr> </tbody> </table>		Gender breakdown		Employee type breakdown		Percentage of employees trained (%)	Male	99.3	Senior staff	98.6	Female	97.6	General staff	99.0				Workman	99.6								
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KPI B3.2	The average training hours completed per employee by gender and employee category.	<p>INFO:</p> <table border="1" data-bbox="603 403 1497 611"> <thead> <tr> <th></th> <th colspan="2">Gender breakdown</th> <th colspan="2">Employee type breakdown</th> <th>Overall</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Average training hours</td> <td>Male</td> <td>44.2</td> <td>Senior staff</td> <td>70.1</td> <td rowspan="3">41.8</td> </tr> <tr> <td rowspan="2">Female</td> <td rowspan="2">29.9</td> <td>General staff</td> <td>43.7</td> </tr> <tr> <td>Workman</td> <td>16.8</td> </tr> </tbody> </table>		Gender breakdown		Employee type breakdown		Overall	Average training hours	Male	44.2	Senior staff	70.1	41.8	Female	29.9	General staff	43.7	Workman	16.8									
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ASPECT B4	LABOUR STANDARDS																												
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	<p>WEB: CSR Policy</p> <p>SR: Challenges and Strategies – Our Principal Strategies and Stakeholder Engagement</p> <p>INFO: We are committed to abiding by relevant ordinances and statutory requirements, such as the Employment Ordinance of Hong Kong.</p> <p>No relevant non-compliance was recorded.</p>																											
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	<p>WEB: Equal Opportunities</p> <p>INFO: All recruitments through Human Resources Division are coupled with proper checking of the age of the employees to ensure full compliance with the Employment Ordinance of Hong Kong.</p>																											
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	<p>INFO: No such practices were recorded.</p>																											
OPERATING PRACTICES																													
ASPECT B5	SUPPLY CHAIN MANAGEMENT																												
General Disclosure	Policies on managing environmental and social risks of the supply chain.	<p>WEB: CSR Policy; Environmental Policy; Health & Safety Policy</p> <p>SR: Challenges and Strategies – Our Principal Strategies and Stakeholder Engagement; Sustainable Operations – Divider page, Enhancing Supplier Partnership; Health and Safety – Divider page</p>																											
KPI B5.1	Number of suppliers by geographical region.	<p>INFO:</p> <table border="1" data-bbox="603 1724 1497 2027"> <thead> <tr> <th>Geographical location</th> <th>Number of major suppliers (Non-fuel goods and services)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Hong Kong</td> <td>147</td> <td>80.3</td> </tr> <tr> <td>Japan</td> <td>25</td> <td>13.7</td> </tr> <tr> <td>UK</td> <td>5</td> <td>2.7</td> </tr> <tr> <td>Korea</td> <td>2</td> <td>1.1</td> </tr> <tr> <td>Australia</td> <td>2</td> <td>1.1</td> </tr> <tr> <td>China</td> <td>1</td> <td>0.5</td> </tr> <tr> <td>Continental Europe</td> <td>1</td> <td>0.5</td> </tr> <tr> <td>Total</td> <td>183</td> <td>100</td> </tr> </tbody> </table>	Geographical location	Number of major suppliers (Non-fuel goods and services)	%	Hong Kong	147	80.3	Japan	25	13.7	UK	5	2.7	Korea	2	1.1	Australia	2	1.1	China	1	0.5	Continental Europe	1	0.5	Total	183	100
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KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	<p>INFO: Major suppliers are required to follow an established procedure for admission to our Recognised Tenderers Register (“RTR”). The suppliers’ tenders / quotations are processed according to the Commercial Procedure laid down for approval by established level of authority. In 2015, 183 suppliers were engaged. Review on suppliers in our RTR including environmental assessment is conducted on a periodic basis for which the suppliers are required to submit their CSR performance for evaluation.</p>
ASPECT B6	PRODUCT RESPONSIBILITY	
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<p>WEB: CSR Policy; Quality Policy; Health & Safety Policy; Supply Rules; Guide to Connection of Supply; Privacy Policy</p> <p>SR: Challenges and Strategies – Our Principal Strategies and Stakeholder Engagement; Health and Safety – Divider page; Customer Care – Divider page</p> <p>INFO: Advertising and methods of redress are not material / applicable for our electricity business in Hong Kong.</p> <p>No relevant non-compliance was recorded.</p>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	<p>INFO: This KPI is not applicable due to the nature of our product (viz. electricity).</p>
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	<p>INFO: Our key business is supply of electricity. No complaints directly related to supply of electricity were recorded.</p>
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	<p>WEB: Enhancing Supplier Partnership</p> <p>INFO: We fully embrace protection of intellectual property rights.</p> <p>Provisions are in place through Code of Conduct and various IT policies advising employees the importance of observing intellectual property rights including, in particular, copyright laws as they apply to software and electronic forms of information.</p> <p>To mitigate the risk related to software intellectual property rights infringement, no users have the required system privilege to install software on their own, hence, reduce the risk of using illegal software within HK Electric. To the extent that is being supported by individual technology platforms, license control facilities are employed to ensure full software licensing and legal compliance. Annual license audit is also performed against various platforms to ensure that policies are enforced.</p> <p>There are also relevant requirements in our Code of Practice for Suppliers.</p>
KPI B6.4	Description of quality assurance process and recall procedures.	<p>WEB: Quality Management</p> <p>INFO: Recall procedures are not applicable due to the nature of our product (viz. electricity).</p>
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	<p>WEB: Privacy Policy</p>

ASPECT B7	ANTI-CORRUPTION	
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p>	<p>WEB: CSR Policy; Code of Conduct</p> <p>SR: Challenges and Strategies – Our Principal Strategies and Stakeholder Engagement; Accountability to Shareholders – Divider page</p> <p>INFO: We prohibit any form of bribery or corruption. Accepting or offering advantages in any manner from or to clients, suppliers, or any person in connection with our business is prohibited. We also strictly prohibit any fraudulent activities, such as theft of company resources, use of misrepresentation, dishonesty or deceitful conduct. We will not condone, facilitate or support money laundering. We strictly observe the standards, rules or regulations in regard to this aspect, such as Prevention of Bribery Ordinance.</p> <p>No relevant non-compliance was recorded.</p>
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	<p>INFO: No relevant cases were recorded.</p>
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	<p>WEB: Code of Conduct</p> <p>INFO: We have in place a Code of Conduct that prohibits any form of bribery or corruption. Regular training on anti-corruption is provided to employees either internally by the Human Resources Division or externally by bodies, such as ICAC or HK Police.</p> <p>A whistle-blower hotline / email manned by the Group Manager, Internal Audit is available for employees and external parties, such as customers, suppliers to report any possible improprieties. Violation reporting guidelines and investigation procedures are in place. If there is an actual or suspected violation of Code of Conduct including corruption, investigations will be carried out by Internal Audit Department. Any employee who is in breach of the Code of Conduct is subject to disciplinary actions, including summary dismissal and forfeiture of all benefits payable under the applicable retirement scheme.</p> <p>Anti-bribery risk assessment is performed by business units twice a year and bribery / corruption statistics & incidents are reported by business units to Internal Audit Department quarterly. The assessment result was satisfactory.</p>
COMMUNITY		
ASPECT B8	COMMUNITY INVESTMENT	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	<p>WEB: CSR Policy</p> <p>SR: Challenges and Strategies – Our Principal Strategies and Stakeholder Engagement; Community Involvement – Divider page</p>
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	<p>WEB: Caring for our Community; Caring for our Environment</p> <p>SR: Customer Care – Promoting Smart Use of Energy; Community Involvement</p>
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	<p>WEB: Caring for our Community; Caring for our Environment</p> <p>SR: Customer Care – Promoting Smart Use of Energy; Community Involvement</p> <p>INFO: In 2015, a total subsidy of about HK\$2.2 million was approved for 15 applications under our Smart Power Fund.</p>