

## HKEI's Sustainability Report 2017 – GRI Content Index

[Verified independently as “in accordance with” the “Core Option” of GRI’s Sustainability Reporting Standards, and having addressed a significant number of material disclosures required under the “Comprehensive Option”.]

### GRI 102: General Disclosures 2016

#### Cross-Reference / Information

(WEB – our website; SR – our Sustainability Report;  
AR – our Annual Report; INFO – direct / supplementary information;  
Figures may not add up to the total due to rounding.)

#### ORGANIZATIONAL PROFILE

<b>102-1</b>	Name of the organization	<b>SR:</b> About Us																																																																																
<b>102-2</b>	Activities, brands, products, and services	<b>SR:</b> About Us																																																																																
<b>102-3</b>	Location of headquarters	<b>INFO:</b> Hong Kong.																																																																																
<b>102-4</b>	Location of operations	<b>INFO:</b> Hong Kong.																																																																																
<b>102-5</b>	Ownership and legal form	<b>SR:</b> About Us  <b>INFO:</b> Share stapled unit(s) jointly issued by HK Electric Investments (the Trust) and HK Electric Investments Limited (the Company) (collectively HKEI) (Share Stapled Unit(s)) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the Company and its subsidiaries, collectively the Group). The Trust is a listed business trust (the trustee manager of which is HK Electric Investments Manager Limited (the Trustee-Manager)), and the Company is wholly owned by the Trust.																																																																																
<b>102-6</b>	Markets served	<b>SR:</b> About Us  <b>INFO:</b> Please refer to Disclosure Item EU3.																																																																																
<b>102-7</b>	Scale of the organization	<b>SR:</b> About Us; Key Performance and Targets – Summary of Statistics  <b>AR:</b> Consolidated Statement of Profit or Loss; Consolidated Statement of Financial Position; Consolidated Statement of Changes in Equity; Notes to the Financial Statements																																																																																
<b>102-8</b>	Information on employees and other workers	<p><b>SR:</b> About this Report; About Us; Working with Partners – Relating to our Employees – Fair and Equal Treatment; Working with Partners – Managing our Supply Chain</p> <p><b>INFO:</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Age</th> <th>Senior staff (%)</th> <th>General staff (%)</th> <th>Workman (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Age 30 or below</td> <td style="text-align: center;">0.0</td> <td style="text-align: center;">18.9</td> <td style="text-align: center;">0.4</td> <td style="text-align: center;"><b>19.3</b></td> </tr> <tr> <td>Age 31-40</td> <td style="text-align: center;">0.2</td> <td style="text-align: center;">15.8</td> <td style="text-align: center;">0.8</td> <td style="text-align: center;"><b>16.8</b></td> </tr> <tr> <td>Age 41-50</td> <td style="text-align: center;">2.6</td> <td style="text-align: center;">22.6</td> <td style="text-align: center;">2.5</td> <td style="text-align: center;"><b>27.7</b></td> </tr> <tr> <td>Age 51 or above</td> <td style="text-align: center;">5.3</td> <td style="text-align: center;">22.0</td> <td style="text-align: center;">8.9</td> <td style="text-align: center;"><b>36.2</b></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>8.1</b></td> <td style="text-align: center;"><b>79.3</b></td> <td style="text-align: center;"><b>12.6</b></td> <td style="text-align: center;"><b>100.0</b></td> </tr> <tr> <td colspan="5"> </td> </tr> <tr> <th>Gender</th> <th>Senior staff (%)</th> <th>General staff (%)</th> <th>Workman (%)</th> <th>Total (%)</th> </tr> <tr> <td>Female</td> <td style="text-align: center;">0.8</td> <td style="text-align: center;">15.6</td> <td style="text-align: center;">0.8</td> <td style="text-align: center;"><b>17.2</b></td> </tr> <tr> <td>Male</td> <td style="text-align: center;">7.3</td> <td style="text-align: center;">63.7</td> <td style="text-align: center;">11.8</td> <td style="text-align: center;"><b>82.8</b></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>8.1</b></td> <td style="text-align: center;"><b>79.3</b></td> <td style="text-align: center;"><b>12.6</b></td> <td style="text-align: center;"><b>100.0</b></td> </tr> <tr> <td colspan="5"> </td> </tr> <tr> <th colspan="2">Employment type</th> <th>Male (%)</th> <th>Female (%)</th> <th>Total (%)</th> </tr> <tr> <td colspan="2">Permanent</td> <td style="text-align: center;">77.0</td> <td style="text-align: center;">15.9</td> <td style="text-align: center;"><b>92.9</b></td> </tr> <tr> <td colspan="2">Contract</td> <td style="text-align: center;">5.8</td> <td style="text-align: center;">1.3</td> <td style="text-align: center;"><b>7.1</b></td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td style="text-align: center;"><b>82.8</b></td> <td style="text-align: center;"><b>17.2</b></td> <td style="text-align: center;"><b>100.0</b></td> </tr> </tbody> </table> <p>Notes: 1. We have around 2,000 employees in total. 2. Our operations are based in Hong Kong.</p>	Age	Senior staff (%)	General staff (%)	Workman (%)	Total (%)	Age 30 or below	0.0	18.9	0.4	<b>19.3</b>	Age 31-40	0.2	15.8	0.8	<b>16.8</b>	Age 41-50	2.6	22.6	2.5	<b>27.7</b>	Age 51 or above	5.3	22.0	8.9	<b>36.2</b>	<b>Total</b>	<b>8.1</b>	<b>79.3</b>	<b>12.6</b>	<b>100.0</b>						Gender	Senior staff (%)	General staff (%)	Workman (%)	Total (%)	Female	0.8	15.6	0.8	<b>17.2</b>	Male	7.3	63.7	11.8	<b>82.8</b>	<b>Total</b>	<b>8.1</b>	<b>79.3</b>	<b>12.6</b>	<b>100.0</b>						Employment type		Male (%)	Female (%)	Total (%)	Permanent		77.0	15.9	<b>92.9</b>	Contract		5.8	1.3	<b>7.1</b>	<b>Total</b>		<b>82.8</b>	<b>17.2</b>	<b>100.0</b>
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102-9	Supply chain	<p><b>SR:</b> Working with Partners – Managing our Supply Chain – Responsible Procurement</p> <p><b>INFO:</b> The core business of HK Electric is to supply electricity. Our supply chain includes the supply of fuels, goods and services in order to facilitate the supply of safe, reliable and clean electricity to our customers.</p>								
102-10	Significant changes to the organization and its supply chain	<p><b>INFO:</b> There were no movements in the Share Stapled Units, as well as in the share capital of the Trustee-Manager and the Company during 2017.</p> <p>No significant changes in our operations and our supply chain that caused significant economic, environmental, and social impacts were recorded.</p>								
102-11	Precautionary Principle or approach	<p><b>SR:</b> Challenges and Strategies; Sharing our Planet – Divider page</p>								
102-12	External initiatives	<p><b>INFO:</b> The Manifesto on Energy Efficiency in Buildings; Conscientious Recycling Charter; Carbon Reduction Charter; Food Wise Charter; Energy Saving Charters; 4Ts (Target, Timeline, Transparency and Together) Charter; External Lighting Charter; Occupational Safety Charter; Workplace Hygiene Charter; Charter on Preferential Appointment of OSH Star Enterprise; Joyful@Healthy Workplace Charter, etc.</p> <p>All the above charters and principles we subscribe to are voluntary.</p>								
102-13	Membership of associations	<p><b>INFO:</b> It is important for us to keep updated on developments in our industry, as well as provide thought leadership where appropriate, so we actively support and participate in various professional associations and organisations, including the Business Environment Council (BEC); the Asia Pacific Customer Service Consortium (APCSC); the Hong Kong Call Centre Association (HKCCA); the Hong Kong Retail Management Association (HKRMA); the Hong Kong Federation of Restaurants and Related Trades (HKFORT); Institute of Dining Art (IDA); International Association of Gourmet Master Chefs &amp; Hospitality Executives (IAGMC); the Asian Sub-Bituminous Coal Users' Group (ASBCUG); and Data Protection Officers' Club under the Office of the Privacy Commissioner for Personal Data (PCPD), Hong Kong.</p> <p>We also encourage our employees to contribute to their professional sectors. Some of them hold leading positions in major associations, such as The Hong Kong Institution of Engineers (HKIE), American Society of Mechanical Engineers (ASME), Hong Kong Section and The Institution of Engineering and Technology Hong Kong (IET Hong Kong).</p>								
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	<p><b>SR:</b> Key Performance and Targets – Summary of Statistics</p>								
EU2	Net energy output broken down by primary energy source and by regulatory regime	<p><b>INFO:</b></p> <table border="1" data-bbox="576 1563 930 1704"> <thead> <tr> <th colspan="2">Electricity sent out (GWh)</th> </tr> </thead> <tbody> <tr> <td>Gas</td> <td>3,685</td> </tr> <tr> <td>Coal &amp; oil</td> <td>7,293</td> </tr> <tr> <td>Renewable energy</td> <td>2</td> </tr> </tbody> </table> <p>The total electricity sent out was 10,980 GWh.</p>	Electricity sent out (GWh)		Gas	3,685	Coal & oil	7,293	Renewable energy	2
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EU3	Number of residential, industrial, institutional and commercial customer accounts	<p><b>INFO:</b></p> <table border="1" data-bbox="576 147 904 327"> <thead> <tr> <th colspan="2">Customer accounts</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>464,000</td> </tr> <tr> <td>Commercial</td> <td>108,000</td> </tr> <tr> <td>Industrial</td> <td>5,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>577,000</b></td> </tr> </tbody> </table> <p>Almost all points of connection were of distribution type and no customers who also produced electricity for sale were recorded.</p>	Customer accounts		Residential	464,000	Commercial	108,000	Industrial	5,000	<b>Total</b>	<b>577,000</b>												
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EU4	Length of above and underground transmission and distribution lines by regulatory regime	<p><b>INFO:</b></p> <table border="1" data-bbox="576 495 1326 781"> <thead> <tr> <th colspan="4">Circuit length (km)</th> </tr> <tr> <th colspan="2">Above/Underground breakdown</th> <th colspan="2">Voltage breakdown</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Above ground</td> <td rowspan="2">55</td> <td>Transmission (275 kV &amp; 132 kV)</td> <td>458</td> </tr> <tr> <td>Distribution (22 kV &amp; 11 kV)</td> <td>3,776</td> </tr> <tr> <td>Underground</td> <td>6,331</td> <td>Low voltage</td> <td>2,152</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td colspan="2"><b>6,386</b></td> </tr> </tbody> </table> <p>Note: Circuit length is distinct from conductor length in that one or more conductors may be employed to create a circuit. For instance, a 1-km long three-phase grounded LV interconnection between two points which is built with one conductor per phase plus one neutral conductor has a total of 4 km of conductor; however, it is only a 1-km long circuit. Multiple, independently-switched circuits, e.g. feeders, may be attached on the same structures or located in a common trench along a route. In such instances, the length of each circuit will be counted.</p> <p>The length of underground circuit included the length of submarine circuit.</p>	Circuit length (km)				Above/Underground breakdown		Voltage breakdown		Above ground	55	Transmission (275 kV & 132 kV)	458	Distribution (22 kV & 11 kV)	3,776	Underground	6,331	Low voltage	2,152	<b>Total</b>		<b>6,386</b>	
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EU5	Allocation of CO <sub>2</sub> e emissions allowances or equivalent, broken down by carbon trading framework	<p><b>INFO:</b> Not applicable to Hong Kong.</p>																						
<b>STRATEGY</b>																								
102-14	Statement from senior decision-maker	<b>SR:</b> A Word from our CEO																						
102-15	Key impacts, risks, and opportunities	<b>SR:</b> Challenges and Strategies																						
<b>ETHICS AND INTEGRITY</b>																								
102-16	Values, principles, standards, and norms of behavior	<p><b>WEB:</b> <a href="#">Vision, Mission and Core Values</a>; <a href="#">Code of Conduct</a></p> <p><b>SR:</b> Challenges and Strategies; Creating Value – Responsible and Ethical Business – Upholding our Ethics</p> <p><b>AR:</b> Combined Corporate Governance Report</p>																						
102-17	Mechanisms for advice and concerns about ethics	<p><b>WEB:</b> <a href="#">Code of Conduct</a></p> <p><b>SR:</b> Creating Value – Responsible and Ethical Business – Upholding our Ethics</p> <p><b>AR:</b> Combined Corporate Governance Report</p>																						
<b>GOVERNANCE</b>																								
102-18	Governance structure	<b>AR:</b> Combined Corporate Governance Report																						

102-22	Composition of the highest governance body and its committees	<b>AR:</b> Combined Corporate Governance Report; Boards of Directors and Senior Management
102-23	Chair of the highest governance body	<b>INFO:</b> The positions of the Chairman and the Chief Executive Officer of the Company are held by separate individuals. The Trustee-Manager does not appoint a Chief Executive Officer due to its specific and limited role to administer the Trust.
102-24	Nominating and selecting the highest governance body	<b>AR:</b> Combined Corporate Governance Report
102-25	Conflicts of interest	<b>AR:</b> Combined Corporate Governance Report
102-32	Highest governance body's role in sustainability reporting	<b>SR:</b> About this Report
<b>STAKEHOLDER ENGAGEMENT</b>		
102-40	List of stakeholder groups	<b>SR:</b> Stakeholder Engagement <b>INFO:</b> Please refer to "Table for General Disclosure Items 102-40, 102-42 and 102-43" at the end of this Content Index.
102-41	Collective bargaining agreements	<b>INFO:</b> Not applicable (collective bargaining agreements are not required by law in Hong Kong).
102-42	Identifying and selecting stakeholders	<b>SR:</b> Stakeholder Engagement <b>INFO:</b> Please refer to "Table for General Disclosure Items 102-40, 102-42 and 102-43" at the end of this Content Index.
102-43	Approach to stakeholder engagement	<b>SR:</b> Stakeholder Engagement; Serving Hong Kong – Serving our Customers – Service Standards, Communication Channels; Key Performance and Targets – Summary of Statistics <b>INFO:</b> Please refer to "Table for General Disclosure Items 102-40, 102-42 and 102-43" at the end of this Content Index. Following are examples of HK Electric's engagement activities with various stakeholder groups in 2017: <ul style="list-style-type: none"> <li>• A Customer Liaison Group meeting</li> <li>• Safety, Health and Environment Day for our business partners</li> <li>• Home visits to Lamma villages (three rounds)</li> <li>• Joint Consultation (JC) meetings (20 meetings)</li> <li>• Focus group meetings with employees (22 meetings)</li> <li>• Local community events (throughout the year)</li> <li>• Corporate visits (&gt;200 visits)</li> </ul>
102-44	Key topics and concerns raised	<b>SR:</b> A Word from our CEO; Stakeholder Engagement <b>INFO:</b> Please refer to "Table for General Disclosure Items 102-44, 102-46 and 102-47" at the end of this Content Index.
<b>REPORTING PRACTICE</b>		
102-45	Entities included in the consolidated financial statements	<b>SR:</b> About this Report; About Us <b>AR:</b> Notes to the Financial Statements

102-46	Defining report content and topic Boundaries	<p><b>SR:</b> Stakeholder Engagement; Working with Partners – Managing our Supply Chain</p> <p><b>INFO:</b> Please refer to “Table for General Disclosure Items 102-44, 102-46 and 102-47” at the end of this Content Index.</p> <p>Regarding our response to Sustainable Development Goals (SDGs), please refer to “Cross Reference between our Sustainability Contents and SDGs” at the end of this Content Index.</p>
102-47	List of material topics	<p><b>SR:</b> Stakeholder Engagement</p> <p><b>INFO:</b> Please refer to “Table for General Disclosure Items 102-44, 102-46 and 102-47” at the end of this Content Index.</p>
102-48	Restatements of information	<p><b>INFO:</b> No re-statements.</p>
102-49	Changes in reporting	<p><b>INFO:</b> No significant changes from the previous report.</p>
102-50	Reporting period	<p><b>SR:</b> About this Report</p>
102-51	Date of most recent report	<p><b>INFO:</b> The most recent report was issued in March 2017 for the calendar year 2016.</p>
102-52	Reporting cycle	<p><b>INFO:</b> Annual.</p>
102-53	Contact point for questions regarding the report	<p><b>INFO:</b> Back Cover</p>
102-54	Claims of reporting in accordance with the GRI Standards	<p><b>SR:</b> About this Report</p>
102-55	GRI content index	<p><b>INFO:</b> This GRI Content Index.</p>
102-56	External assurance	<p><b>SR:</b> About this Report; Verification Statement</p>
<b>Material Topics</b>		<p align="center"><b>Cross-Reference / Information</b> (<b>WEB</b> – our website; <b>SR</b> – our Sustainability Report; <b>AR</b> – our Annual Report; <b>INFO</b> – direct / supplementary information; Figures may not add up to the total due to rounding.)</p>
<b>GRI 201: Economic Performance 2016</b>		
<b>GRI 103: Management Approach 2016</b>		<p><b>SR:</b> Challenges and Strategies; Creating Value</p> <p><b>AR:</b> Chairman’s Statement; CEO’s Report</p> <p><b>INFO:</b> Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>
201-1	Direct economic value generated and distributed	<p><b>AR:</b> Consolidated Statement of Profit or Loss; Consolidated Statement of Financial Position</p>

201-2	Financial implications and other risks and opportunities due to climate change	<p><b>SR:</b> Sharing our Planet – Action on Climate Change; Creating Value – Responsible and Ethical Business – Sustainable Growth for the Long-term</p> <p><b>INFO:</b> Risks due to physical changes associated with climate change: 1. Damages caused by extreme weather conditions will increase maintenance costs. 2. Increased fuel cost due to decreased plant efficiency under elevated ambient temperature. 3. Increased insurance premiums to cover the potential climate-related damages to our plant facilities. 4. Fuel price may become unstable under the influence of adverse weather conditions and hence affect the cost.</p> <p>Potential competitive advantages created for the organisation by regulatory or other technology changes linked to climate change: Based on the current regulatory regime in Hong Kong, development of renewable energy is incentivised with an increased rate of return on asset, from 9.99% to 11%.</p> <p>We make strategic investment to maintain our world-class supply reliability, enhance the integrity of our assets and reduce air emissions for better ambient air quality. All these contribute to lower the risk of climate change. Hence, no separate account for financial implications due to climate change is available.</p>
201-3	Defined benefit plan obligations and other retirement plans	<b>AR:</b> Notes to the Financial Statements
201-4	Financial assistance received from government	<p><b>INFO:</b> No material financial assistance from the HKSAR Government.</p>
<b>GRI 203: Indirect Economic Impacts 2016</b>		
<b>GRI 103: Management Approach 2016</b>		<p><b>SR:</b> Challenges and Strategies; Sharing our Planet – Divider page; Serving Hong Kong – Divider page; Creating Value – Sustainable Growth for the Long-term; Key Performance and Targets – Targets Achieved in 2017, Looking Ahead</p> <p><b>INFO:</b> Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>
203-1	Infrastructure investments and services supported	<p><b>SR:</b> Sharing our Planet – Improving Air Quality – Drive EVs · Charge Easy; Sharing our Planet – Energy Conservation; Serving Hong Kong – Serving our Customers – Service Standards; Serving Hong Kong – Putting Safety First; Creating Value – Sustainable Growth for the Long-term</p>
203-2	Significant indirect economic impacts	<p><b>SR:</b> Sharing our Planet – Improving Air Quality – Drive EVs · Charge Easy; Sharing our Planet – Energy Conservation; Serving Hong Kong – Serving our Customers – Service Standards; Serving Hong Kong – Putting Safety First; Creating Value – Sustainable Growth for the Long-term</p>
<b>GRI 204: Procurement Practices 2016</b>		
<b>GRI 103: Management Approach 2016</b>		<p><b>WEB:</b> <a href="#">Code of Conduct</a></p> <p><b>INFO:</b> All local and foreign suppliers are treated equally and no preference is given in our purchase decision.</p> <p>Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>

204-1	Proportion of spending on local suppliers	<p><b>INFO:</b></p> <p>Natural gas, limestone and ultra-low sulphur diesel are supplied by companies with bases in China or Hong Kong while coals are sourced mainly in Asia, Australia and Russia.</p> <p>For other goods and services, about 49% under major contracts were procured from “local-based suppliers” who are defined as companies in China including Hong Kong.</p>
<b>GRI 205: Anti-corruption 2016</b>		
<b>GRI 103: Management Approach 2016</b>		<p><b>WEB:</b> <a href="#">Code of Conduct</a></p> <p><b>SR:</b> Challenges and Strategies – Principal Strategies; Creating Value – Divider page, Responsible and Ethical Business – Upholding our Ethics</p> <p><b>INFO:</b></p> <p>We prohibit any form of bribery/corruption, fraud or money laundering, and do not tolerate anyone committing fraud or breaking the law. Accepting or offering advantages in any manner from or to clients, suppliers, or any person in connection with the Company’s 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>Anti-bribery risk assessment is performed by business units twice a year and bribery/corruption statistics and incidents are reported by business units to Internal Audit Department quarterly.</p> <p>A Fraud Awareness &amp; Prevention Policy is in place to ensure adequate deterrent measures are taken to minimise exposure to fraud risk and to promote a fraud-free culture within the Group.</p> <p>A Fraud and Whistle-Blowing Reporting and Investigation Procedure is developed to supplement the Code of Conduct on the process workflow of investigation, investigation protocols, roles and responsibilities in handling violations of the Code and ethical allegations. Group Manager, Internal Audit is the central point of all reporting and investigation of violations of the Code.</p> <p>A whistleblower hotline, connected directly to the Head of Internal Audit, is set up to centrally receive from employees and external parties all reports of possible improprieties, actual or alleged violations, including fraud, bribery and illegal acts. 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>Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>
205-1	Operations assessed for risks related to corruption	<p><b>INFO:</b></p> <p>All 13 business units were accessed for risks related to corruption.</p>
205-2	Communication and training about anti-corruption policies and procedures	<p><b>INFO:</b></p> <p>We have communicated our anti-corruption policies and procedures to all our board members, employees and business partners.</p> <p>In particular, HK Electric's anti-corruption policies and procedures were communicated to all contractors and suppliers via the Conditions of Tendering/Bidding in the enquiry document and the Code of Practice for Suppliers in the application of Recognised Tenderers Register (RTR).</p> <p>All our board members and employees have received training on anti-corruption.</p>
205-3	Confirmed incidents of corruption and actions taken	<p><b>SR:</b> Creating Value – Responsible and Ethical Business – Upholding our Ethics</p>

<b>GRI 206 – Anti-competition behavior 2016</b>		
<b>GRI 103: Management Approach 2016</b>		<b>INFO:</b> We have established a Competition Compliance Policy and relevant approach and framework to guide us making our own decisions independently.
<b>206-1</b>	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<b>INFO:</b> No relevant legal actions in 2017 were recorded.
<b>AVAILABILITY AND RELIABILITY</b>		
<b>GRI 103: Management Approach 2016</b> (to ensure short and long-term electricity availability and reliability)		<p><b>SR:</b> Sharing our Planet – Action on Climate Change – Displacing Coal with Natural Gas; Serving Hong Kong – Reliable and Affordable Power Supply – A Robust Power System; Creating Value – Sustainable Growth for the Long-term</p> <p><b>INFO:</b> HK Electric has been adopting a diverse power portfolio to deliver cleaner, more efficient and reliable electricity supply to meet its customers’ demand on both long and short-term bases.</p> <p>HK Electric will carry out regular review of its load forecast and planning criteria to suit the ever-changing socio-economic environment and to meet the tightening environmental requirements. All these forecast parameters will be subject to the Government’s scrutiny.</p> <p>To meet the increasing expectation from the public for greener electricity generation, HK Electric has been using renewable energy in recent years, including Lamma Winds and the thin film photovoltaic solar system to generate electricity.</p> <p>To ensure reliability, a comprehensive Maintenance Regime for generating plants has been established. Periodic maintenance shall be arranged to all the machineries in order to maintain its reliability. The frequency of the periodic maintenance is determined by the recommendations from the original equipment manufacturer, ‘Reliability-Centered Maintenance’ study and plant ownership scheme. In between periodic maintenance, condition of the equipment is monitored to determine its “healthiness” in order to secure the availability of the plant.</p> <p>Health indexes of transmission and distribution equipment and apparatuses are being established to determine priority of maintenance.</p> <p>Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>
<b>EU10</b>	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	<p><b>WEB:</b> <a href="#">Our 2014 – 2018 Development Plan</a>; <a href="#">HK Electric Signs Agreement to Build a New Gas-fired Unit</a></p> <p><b>SR:</b> Serving Hong Kong – Reliable and Affordable Power Supply – A Robust Power System;</p> <p><b>INFO:</b> Construction of the new L10 gas-fired combined-cycle unit commenced in early 2016 and had been in good progress. The unit is scheduled for commissioning in 2020.</p> <p>In September 2016, the Government approved HK Electric to construct another new 380-MW gas-fired combined-cycle generating unit, L11, to implement the 2020 Fuel Mix Target. As it will take several years to build the new unit L11, HK Electric will, as an interim measure for meeting the 2020 Fuel Mix Target before the commissioning of L11 in 2022, keep in service an existing gas unit which is originally scheduled for retirement in 2020.</p>



<b>DEMAND-SIDE MANAGEMENT</b>		
<b>GRI 103: Management Approach 2016</b> (and description on demand-side management programs including residential, commercial, institutional and industrial programs)		<p><b>SR:</b> Sharing our Planet – Energy Conservation; Serving Hong Kong – Divider page</p> <p><b>INFO:</b> Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>
<b>RESEARCH AND DEVELOPMENT</b>		
<b>GRI 103: Management Approach 2016</b> (and description on research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development)		<p><b>SR:</b> Sharing our Planet – Improving Air Quality – Drive EVs · Charge Easy; Sharing our Planet – Responsible Resource Management – Water Resources; Serving Hong Kong – Serving our Customers – Service Standards</p> <p><b>INFO:</b> We continue to keep track on the latest technology development related to our business. Research and development activities are planned and managed by relevant business units.</p> <p>Most of these studies would involve in-house experts and hence would not significantly induce additional cost compared with our overall expenditure.</p> <p>For instance, Hong Kong Observatory (HKO) and HK Electric started a joint study on tidal and storm surge data for Lamma Island, and selected the installation locations of the tide gauges and anemometers to be commissioned in 2018. While HKO would make use of the online data collected to analyse and forecast weather conditions, tidal height and seawater level more precisely and alert the public when necessary, we could use the data to enhance our preparedness for extreme weather events by improving the capabilities of existing facilities and drainage system if found necessary.</p> <p>Anti-flooding devices, including sump pumps, flooding alarm, CCTV system and flood gate were retrofitted on the ground floor of 11-kV switchgear room of Rumsey Street Z/S where the room could be affected by +5.0 m C.D. storm surge. Anti-flooding installations were also retrofitted at Pokfulam Z/S and Wong Chuk Hang S/S, in view of the fact that the corresponding 11-kV switchgear and 132-kV Gas Insulated Switchgear (GIS) are installed on the G/F level and the adjacent drainage systems cannot cater for the 50-year or 100-year flood. Review of the floor level of all distribution substations situated at district with level lower than +5.0 m CD was in progress and the installation of anti-flooding systems in those substations equipped with more than 9 switchgear panels was completed. Retrofitting of anti-flooding systems in the remaining substations equipped with more than 6 switchgear panels was in progress.</p>
<b>SYSTEM EFFICIENCY</b>		
<b>EU11</b>	Average generation efficiency of thermal plants by energy source and by regulatory regime	<b>SR:</b> Key Performance and Targets – Summary of Statistics
<b>EU12</b>	Transmission and distribution losses as a percentage of total energy	<p><b>SR:</b> Key Performance and Targets – Summary of Statistics</p> <p><b>INFO:</b> Transmission losses: 1.3% Distribution losses: 2.0% Note: Non-technical losses are assumed to be insignificant.</p>
<b>GRI 300: Environmental 2016</b>		
<b>GRI 103: Management Approach 2016</b>		<p><b>WEB:</b> <a href="#">How We Care for our Environment</a>; <a href="#">Enhancing Supplier Partnership</a></p> <p><b>SR:</b> Challenges and Strategies; Sharing our Planet – Divider page; Working with Partners – Divider page, Managing our Supply Chain; Key Performance and Targets – Targets Achieved in 2017, Looking Ahead</p> <p><b>INFO:</b> Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>

<b>GRI 301: Materials 2016</b>		
<b>301-1</b>	Materials used by weight or volume	<p><b>SR:</b> Key Performance and Targets – Summary of Statistics</p> <p><b>INFO:</b> No materials are present in our final product as our product is electricity and no materials containing polychlorinated biphenyl are used.</p>
<b>301-2</b>	Recycled input materials used	<p><b>SR:</b> Sharing our Planet – Responsible Resource Management – Water Resources, Waste Management; Key Performance and Targets – Summary of Statistics</p> <p><b>INFO:</b> The amount of plant effluent and rain water collected and recycled at Lamma Power Station represented 5% of the Station’s total water consumption.</p>
<b>301-3</b>	Reclaimed products and their packaging materials	<p><b>INFO:</b> There are no reclaimed products and packaging materials due to the nature of our product (viz. electricity).</p>
<b>GRI 302: Energy 2016</b>		
<b>302-1</b>	Energy consumption within the organization	<p><b>SR:</b> Key Performance and Targets – Summary of Statistics</p>
<b>302-3</b>	Energy intensity	<p><b>INFO:</b> 1.88 kWh per unit sold was needed to be consumed in the course of generation, transmission and distribution of electricity (excluding the energy sold).</p>
<b>302-4</b>	Reduction of energy consumption	<p><b>SR:</b> Sharing our Planet – Energy Conservation – Energy Savings@HK Electric</p>
<b>GRI 303: Water 2016</b>		
<b>303-1</b>	Water withdrawal by source	<p><b>SR:</b> Sharing our Planet – Responsible Resource Management – Water Resources; Key Performance and Targets – Summary of Statistics</p>
<b>303-2</b>	Water sources significantly affected by withdrawal of water	<p><b>INFO:</b> No water sources were significantly affected. 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>
<b>303-3</b>	Water recycled and reused	<p><b>SR:</b> Sharing our Planet – Responsible Resource Management – Water Resources; Key Performance and Targets – Summary of Statistics</p> <p><b>INFO:</b> The amount of plant effluent and rain water collected and recycled at the Lamma Power Station represented 5% of the Station’s total water consumption.</p>
<b>GRI 304: Biodiversity 2016</b>		
<b>304-1</b>	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p><b>INFO:</b> No land was owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected area.</p>
<b>304-2</b>	Significant impacts of activities, products, and services on biodiversity	<p><b>INFO:</b> No land was owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected area.</p>

304-3	Habitats protected or restored	<b>INFO:</b> No land was owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected area.
EU13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	<b>INFO:</b> No land was owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected area.
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	<b>SR:</b> About this Report; About Us; Key Performance and Targets – Summary of Statistics
305-2	Energy indirect (Scope 2) GHG emissions	<b>INFO:</b> HK Electric is a vertically integrated power utility responsible for the generation, transmission, distribution and supply of electricity and our electricity consumption comes from our own generation. Hence, the Scope 2 emission is included in the Scope 1 emission which has been reported in Disclosure Item 305-1 in accordance with the ISO 14064-1 requirements as verified by a qualified independent assessor.
305-4	GHG emissions intensity	<b>SR:</b> Key Performance and Targets – Summary of Statistics
305-5	Reduction of GHG emissions	<b>SR:</b> Sharing our Planet – Action on Climate Change
305-6	Emissions of ozone-depleting substances (ODS)	<b>INFO:</b> Emission of ozone-depleting substances was 532.6 kg of R22. A programme for phasing out this HCFC refrigerant in our air-conditioning systems is in place.
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	<b>SR:</b> Sharing our Planet – Improving Air Quality; Key Performance and Targets – Summary of Statistics
<b>GRI 306: Effluents and Waste 2016</b>		
306-1	Water discharge by quality and destination	<b>SR:</b> Key Performance and Targets – Summary of Statistics <b>INFO:</b> The effluents after wastewater treatment for removal of oil, grease, suspended solids and heavy metals were discharged to natural water body and were not used by other parties.
306-2	Waste by type and disposal method	<b>SR:</b> Sharing our Planet – Responsible Resource Management – Waste Management; Key Performance and Targets – Summary of Statistics
306-3	Significant spills	<b>INFO:</b> No significant spills were recorded.
306-5	Water bodies affected by water discharges and/or runoff	<b>INFO:</b> The effluents were properly treated for removal of oil, grease, suspended solids and heavy metals before being discharged, and would not cause significant impact to the water bodies and related habitats.  No discharges to water bodies and related habitats that are designated as protected areas.
<b>GRI 307: Environmental Compliance 2016</b>		
307-1	Non-compliance with environmental laws and regulations	<b>SR:</b> Creating Value – Responsible and Ethical Business – Managing our Risks

<b>GRI 308: Supplier Environmental Assessment 2016</b>		
<b>308-1</b>	New suppliers that were screened using environmental criteria	<b>INFO:</b> All new suppliers as described in Disclosure Item 308-2.
<b>308-2</b>	Negative environmental impacts in the supply chain and actions taken	<b>SR:</b> Working with Partners – Managing our Supply Chain – Responsible Procurement <b>INFO:</b> HK Electric's Code of Practice for Suppliers is included in the application of Recognised Tenderers Register (RTR) for screening purpose. In 2017, 14 new RTR applications were processed and 45 existing suppliers were evaluated, and no significant actual and potential negative environmental impacts were identified.
<b>GRI 400: Social 2016</b>		
<b>GRI 103: Management Approach 2016</b> (for GRI 401 – Employment; GRI 405 – Diversity and Equal Opportunities; GRI 406 – Non-discrimination)		<b>WEB:</b> <a href="#">CSR Policy</a> ; <a href="#">Our People and Values</a> ; <a href="#">Equal Opportunities</a> <b>SR:</b> Challenges and Strategies – Principal Strategies; Working with Partners – Divider page, Relating to our Employees; Creating Value – Responsible and Ethical Business – Managing our Risks, Upholding our Ethics <b>INFO:</b> Please also refer to General Disclosure Item 102-46 for the topic boundary.
<b>GRI 103: Management Approach 2016</b> (for GRI 403 – Occupational Health and Safety; GRI 416 – Customer Health and Safety)		<b>SR:</b> Challenges and Strategies – Principal Strategies; Working with Partners – Divider page, Caring for our Employees, Health and Safety at Work; Serving Hong Kong – Divider page, Putting Safety First; Key Performance and Targets – Targets Achieved in 2017, Looking Ahead <b>INFO:</b> Please also refer to General Disclosure Item 102-46 for the topic boundary.
<b>GRI 103: Management Approach 2016</b> (for GRI 407 – Freedom of Association and Collective Bargaining; GRI 408 – Child Labor; GRI 409 – Forced or Compulsory Labor; GRI 414 – Supplier Social Assessment)		<b>WEB:</b> <a href="#">Equal Opportunities</a> ; <a href="#">Enhancing Supplier Partnership</a> <b>SR:</b> Challenges and Strategies – Principal Strategies; Working with Partners – Divider page, Managing our Supply Chain; Creating Value – Responsible and Ethical Business – Managing our Risks <b>INFO:</b> Collective bargaining is not applicable (collective bargaining agreements are not required by law in Hong Kong).  Major suppliers are required to follow an established procedure for admission to our Recognised Tenderers Register (RTR) in which our Code of Practice for Suppliers is included for their compliance. Review of suppliers in our RTR including labour relations and relevant compliance is conducted on a periodic basis during which the suppliers are required to submit their CSR performance for evaluation.  Please also refer to General Disclosure Item 102-46 for the topic boundary.
<b>GRI 103: Management Approach 2016</b> (for other topics under GRI 400: Social 2016)		<b>INFO:</b> Please refer to the corresponding disclosure items.

GRI 401: Employment 2016																																														
401-1	New employee hires and employee turnover	<p><b>SR:</b> Working with Partners – Relating to our Employees – Fair and Equal Treatment</p> <p><b>INFO:</b></p> <table border="1"> <thead> <tr> <th></th> <th>Overall</th> <th colspan="2">Gender breakdown</th> <th colspan="2">Age breakdown</th> </tr> </thead> <tbody> <tr> <td rowspan="4">New hires rate (%)</td> <td rowspan="2">5.9</td> <td>Male</td> <td>4.2</td> <td>Age 30 or below</td> <td>3.4</td> </tr> <tr> <td></td> <td></td> <td>Age 31-40</td> <td>1.2</td> </tr> <tr> <td rowspan="2">Female</td> <td rowspan="2">1.6</td> <td></td> <td>Age 41-50</td> <td>0.6</td> </tr> <tr> <td></td> <td>Age 51 or above</td> <td>0.7</td> </tr> </tbody> </table> <p>Notes: 1. We have around 2,000 employees in total. 2. Our operations are based in Hong Kong.</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">Gender breakdown</th> <th colspan="2">Age breakdown</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Average length of tenure of the employees leaving employment (Year)</td> <td>Male</td> <td>8</td> <td>Age 30 or below</td> <td>2</td> </tr> <tr> <td></td> <td></td> <td>Age 31-40</td> <td>5</td> </tr> <tr> <td rowspan="2">Female</td> <td rowspan="2">8</td> <td>Age 41-50</td> <td>11</td> </tr> <tr> <td>Age 51 or above</td> <td>33</td> </tr> </tbody> </table>		Overall	Gender breakdown		Age breakdown		New hires rate (%)	5.9	Male	4.2	Age 30 or below	3.4			Age 31-40	1.2	Female	1.6		Age 41-50	0.6		Age 51 or above	0.7		Gender breakdown		Age breakdown		Average length of tenure of the employees leaving employment (Year)	Male	8	Age 30 or below	2			Age 31-40	5	Female	8	Age 41-50	11	Age 51 or above	33
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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p><b>INFO:</b></p> <p>Performance bonus, year-end bonus, gratuity for contract employees, medical benefits, electricity allowance, Group Life and Personal Accident Insurance are not provided to temporary or part time employees.</p>																																												
401-3	Parental leave	<p><b>INFO:</b></p> <table border="1"> <thead> <tr> <th></th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Total no. of employees that took maternity/parental leave</td> <td>18</td> <td>12</td> </tr> <tr> <td>Rate of return to work of employees who took maternity/parental leave</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>Rate of retention of employees who took maternity/parental leave</td> <td>94%</td> <td>92%</td> </tr> </tbody> </table> <p>Note: All eligible employees were entitled to maternity/parental leave.</p>		Male	Female	Total no. of employees that took maternity/parental leave	18	12	Rate of return to work of employees who took maternity/parental leave	100%	100%	Rate of retention of employees who took maternity/parental leave	94%	92%																																
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EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	<p><b>INFO:</b></p> <table border="1"> <thead> <tr> <th></th> <th>Overall</th> <th colspan="2">Employee type breakdown</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Retire in the next 5 years (%)</td> <td rowspan="2">18.4</td> <td>Staff</td> <td>14.5</td> </tr> <tr> <td>Workman</td> <td>3.9</td> </tr> <tr> <td rowspan="2">Retire in the next 10 years (%)</td> <td rowspan="2">36.7</td> <td>Staff</td> <td>29.5</td> </tr> <tr> <td>Workman</td> <td>7.2</td> </tr> </tbody> </table> <p>Notes: 1. We have around 2,000 employees in total. 2. Our operations are based in Hong Kong.</p>		Overall	Employee type breakdown		Retire in the next 5 years (%)	18.4	Staff	14.5	Workman	3.9	Retire in the next 10 years (%)	36.7	Staff	29.5	Workman	7.2																												
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EU17	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	<p><b>INFO:</b></p> <p>The total man-days worked by contractors were 324,000 of which 144,000 man-days were devoted to construction activities and 180,000 devoted to operation and maintenance activities.</p>																																												
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	<p><b>INFO:</b></p> <p>All relevant employees of our contractors working at our work sites have undergone relevant health and safety training.</p>																																												

GRI 403: Occupational Health and Safety 2016																																												
403-1	Workers representation in formal joint management-worker health and safety committees	<p><b>INFO:</b> Our Corporate Health &amp; Safety Manual covers all Divisions/Departments of HK Electric and it defines our health and safety management system. It is enforced through the Health &amp; Safety Board chaired by the Managing Director or his delegate, as well as the Health &amp; Safety Committees/Sub-committees at various levels. Under the Health &amp; Safety Board, there are four Divisional Health and Safety Committees. Under the Divisional Health and Safety Committees of Transmission &amp; Distribution Division and Generation Division, there are departmental Health and Safety Committees. Health and Safety Subcommittees have been formed for staff/frontline employees/contractors.</p> <p>All our employees and those contractors' personnel working for us are represented in the relevant committees.</p>																																										
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<p><b>SR:</b> Working with Partners – Divider page; Key Performance and Targets – Summary of Statistics</p> <p><b>INFO:</b></p> <table border="1"> <thead> <tr> <th></th> <th>Male</th> <th>Female</th> <th>Overall</th> </tr> </thead> <tbody> <tr> <td>Number of fatalities</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Number of lost time injuries</td> <td>3</td> <td>0</td> <td>3</td> </tr> <tr> <td>Lost Time Injury Frequency Rate (LTIFR)</td> <td>0.19</td> <td>0</td> <td>0.16</td> </tr> <tr> <td>Numbers of days lost/charged</td> <td>168</td> <td>0</td> <td>168</td> </tr> <tr> <td>Lost Time Injury Severity Rate (LTISR)</td> <td>10.59</td> <td>0</td> <td>8.77</td> </tr> <tr> <td>Longest period without a lost time injury</td> <td>150</td> <td>365</td> <td>150</td> </tr> <tr> <td>Number of reported traffic accidents</td> <td>9</td> <td>0</td> <td>9</td> </tr> </tbody> </table> <p>For contractor workers engaging in HK Electric's jobs:</p> <table border="1"> <tbody> <tr> <td>No. of fatalities</td> <td>0</td> </tr> <tr> <td>No. of lost time injuries</td> <td>5</td> </tr> <tr> <td>Lost Time Injury Frequency Rate (LTIFR)</td> <td>0.39</td> </tr> <tr> <td>No. of days lost/charged</td> <td>243</td> </tr> <tr> <td>Lost Time Injury Severity Rate (LTISR)</td> <td>18.78</td> </tr> </tbody> </table> <p>Notes: 1. Minor injuries not causing lost day were not included. 2. 'Days' referred to 'scheduled workdays'. 3. Our operations are based in Hong Kong</p> <p>In 2017, the sick leave rate of our employees was 4.3. (N.B. Sick leave rate is the workday loss due to sickness x 2,000 per total number of employee hours. Sick leave due to work-related accidents is not counted.) No cases of occupational diseases were reported in 2017.</p>		Male	Female	Overall	Number of fatalities	0	0	0	Number of lost time injuries	3	0	3	Lost Time Injury Frequency Rate (LTIFR)	0.19	0	0.16	Numbers of days lost/charged	168	0	168	Lost Time Injury Severity Rate (LTISR)	10.59	0	8.77	Longest period without a lost time injury	150	365	150	Number of reported traffic accidents	9	0	9	No. of fatalities	0	No. of lost time injuries	5	Lost Time Injury Frequency Rate (LTIFR)	0.39	No. of days lost/charged	243	Lost Time Injury Severity Rate (LTISR)	18.78
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403-3	Workers with high incidence or high risk of diseases related to their occupation	<p><b>INFO:</b> No workmen with high incidence or high risk of diseases related to their occupation were identified.</p>																																										

**GRI 404: Training and Education 2016**

GRI 103: Management Approach 2016		<p><b>WEB:</b> <a href="#">Our People and Values</a>; <a href="#">Learning &amp; Development</a></p> <p><b>SR:</b> Challenges and Strategies – Principal Strategies; Working with Partners – Divider page, Nurturing Talent</p> <p><b>INFO:</b> Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>
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404-1	Average hours of training per year per employee	<p><b>SR:</b> Working with Partners – Nurturing Talent – Learning and Development</p> <p><b>INFO:</b> The total health and safety training hours for employees was 18,615 and 78.0% of our employees participated in Health and Safety training in 2017.</p>
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404-2	Programs for upgrading employee skills and transition assistance programs	<b>WEB:</b> <a href="#">Learning &amp; Development</a> <b>SR:</b> Working with Partners – Nurturing Talent – Learning and Development
404-3	Percentage of employees receiving regular performance and career development reviews	<b>INFO:</b> 100%
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	<b>SR:</b> Working with Partners – Relating to our Employees – Fair and Equal Treatment <b>AR:</b> Boards of Directors and Senior Management; Combined Corporate Governance Report
405-2	Ratio of basic salary and remuneration of women to men	<b>INFO:</b> Senior staff: 92% General staff: 83% Workman: 61% Overall: 80%  Note: Our operations are based in Hong Kong.
<b>GRI 406: Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	<b>INFO:</b> No incidents of discrimination were recorded.
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<b>SR:</b> Working with Partners – Managing our Supply Chain – Responsible Procurement <b>INFO:</b> Collective bargaining is not applicable (collective bargaining agreements are not required by law in Hong Kong).  No operations identified in which the right to exercise freedom of association may be violated or at significant risk. We have dialogue with the Trade Union through written communication or telephone calls whenever required. Meeting with employees participating in the Union is conducted on an as need basis and an ad hoc meeting with some of their representatives was held during the year.  HK Electric's Code of Practice for Suppliers is included in the application of Recognised Tenderers Register (RTR) for screening purpose. In 2017, 14 new RTR applications were processed and 45 existing suppliers were evaluated, and no suppliers in which the right to exercise freedom of association may be violated or at significant risk were identified.
<b>GRI 408: Child Labor 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	<b>SR:</b> Creating Value – Responsible and Ethical Business – Managing our Risks <b>INFO:</b> 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. In addition, no operations identified as having significant risk for incidents of child labour.  HK Electric's Code of Practice for Suppliers is included in the application of Recognised Tenderers Register (RTR) for screening purpose. In 2017, 14 new RTR applications were processed and 45 existing suppliers were evaluated, and no suppliers having significant risk for incidents of child labour were identified.

<b>GRI 409: Forced or Compulsory Labor 2016</b>		
<b>409-1</b>	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p><b>SR:</b> Creating Value – Responsible and Ethical Business – Managing our Risks</p> <p><b>INFO:</b> No operations identified as having significant risk for incidents of forced or compulsory labour.</p> <p>HK Electric's Code of Practice for Suppliers is included in the application of Recognised Tenderers Register (RTR) for screening purpose. In 2017, 14 new RTR applications were processed and 45 existing suppliers were evaluated, and no suppliers having significant risk for incidents of forced or compulsory labour were identified.</p>
<b>GRI 412: Human Rights Assessment 2016</b>		
<b>GRI 103: Management Approach 2016</b>		<p><b>SR:</b> Challenges and Strategies – Principal Strategies</p> <p><b>INFO:</b> We support human rights consistent with the Universal Declaration of Human Rights.</p> <p>Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>
<b>412-1</b>	Operations that have been subject to human rights reviews or impact assessments	<p><b>INFO:</b> All 13 business units were subjected to human rights review and impact assessments.</p>
<b>GRI 413: Local Communities 2016</b>		
<b>GRI 103: Management Approach 2016</b>		<p><b>SR:</b> Challenges and Strategies – Principal Strategies; Stakeholder Engagement; Sharing our Planet – Divider page; Serving Hong Kong – Divider page; Working with Partners – Divider page; Key Performance and Targets – Targets Achieved in 2017, Looking Ahead</p> <p><b>INFO:</b> Our Public Affairs Department arranges annual meeting with a number of business units for reviewing their work on communication with stakeholders.</p> <p>Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>
<b>413-1</b>	Operations with local community engagement, impact assessments, and development programs	<p><b>INFO:</b> CSR considerations as described in this report are integrated in all our operations.</p>
<b>413-2</b>	Operations with significant actual and potential negative impacts on local communities	<p><b>INFO:</b> No operations would cause significant actual and potential negative impacts on local communities as our operations are integrated with effective CSR initiatives as described in this Report.</p>
<b>EU22</b>	Number of people physically or economically displaced and compensation, broken down by type of project	<p><b>INFO:</b> No projects involved displacement of people or compensation.</p>
<b>GRI 414: Supplier Social Assessment 2016</b>		
<b>414-1</b>	New suppliers that were screened using social criteria	<p><b>INFO:</b> All new suppliers as described in Disclosure Item 414-2.</p>
<b>414-2</b>	Negative social impacts in the supply chain and actions taken	<p><b>SR:</b> Working with Partners – Managing our Supply Chain</p> <p><b>INFO:</b> HK Electric's Code of Practice for Suppliers is included in the application of Recognised Tenderers Register (RTR) for screening purpose. In 2017, 14 new RTR applications were processed and 45 existing suppliers were evaluated, and no significant actual and potential negative social impacts were identified.</p>



GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	<b>INFO:</b> All of our significant product and service have undergone health and safety impact assessment for improvement.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<b>SR:</b> Creating Value – Responsible and Ethical Business – Managing our Risks
EU25	Number of injuries and fatalities to the public involving company assets including legal judgments, settlements and pending legal cases of diseases	<b>INFO:</b> Three minor injury cases were recorded and settled.
GRI 417: Marketing and Labeling 2016		
GRI 103: Management Approach 2016		<b>WEB:</b> <a href="#">Quality Policy</a> ; <a href="#">Supply Rules</a> ; <a href="#">Guide to Connection of Supply</a> ; <a href="#">Privacy Policy</a> <b>SR:</b> Serving Hong Kong – Serving our Customers – Service Standards <b>INFO:</b> Please also refer to General Disclosure Item 102-46 for the topic boundary.
417-1	Requirements for product and service information and labeling	<b>SR:</b> Serving Hong Kong – Serving our Customers – Service Standards; Creating Value – Responsible and Ethical Business – Managing our Risks <b>INFO:</b> Our product is electricity and the sustainability issues in our operations are covered in all sections of this Report and other GRI disclosures. The marketing mechanism described in this disclosure has little relevance to us as our product is electricity.
417-2	Incidents of non-compliance concerning product and service information and labeling	<b>SR:</b> Creating Value – Responsible and Ethical Business – Managing our Risks
GRI 418: Customer Privacy 2016		
GRI 103: Management Approach 2016		<b>WEB:</b> <a href="#">Privacy Policy</a> ; <a href="#">Code of Conduct</a> <b>SR:</b> Serving Hong Kong – Serving our Customers – Service Standards; Creating Value – Responsible and Ethical Business – Managing our Risks, Upholding our Ethics <b>INFO:</b> We have published a Privacy Policy Statement on personal data privacy, which governs the handling of personal data and ensures compliance with the Personal Data (Privacy) Ordinance. The Policy complies with the regulatory requirements in direct marketing under the Personal Data (Privacy) Amendment Ordinance effective on 1 April 2013.  Guideline on Handling Customer Personal Data and Standing Instruction for Handling of Customer’s Personal Data are also put in place.  Please also refer to General Disclosure Item 102-46 for the topic boundary.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<b>INFO:</b> No substantiated complaints regarding breaches of customer privacy and losses of customer data were recorded.

<b>GRI 419: Socioeconomic Compliance 2016</b>		
<b>GRI 103: Management Approach 2016</b>		<p><b>SR:</b> Challenges and Strategies – Principal Strategies; Serving Hong Kong – Divider page; Working with Partners – Divider page; Creating Value – Responsible and Ethical Business – Managing our Risks, Upholding our Ethics</p> <p><b>INFO:</b> Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>
<b>419-1</b>	Non-compliance with laws and regulations in the social and economic area	<b>SR:</b> Creating Value – Responsible and Ethical Business – Managing our Risks
<b>TOPIC: DISASTER / EMERGENCY PLANNING AND RESPONSE</b>		
<b>GRI 103: Management Approach 2016</b> (and description on contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans)		<p><b>SR:</b> Challenges and Strategies – Principal Strategies; Creating Value – Responsible and Ethical Business – Managing our Risks</p> <p><b>INFO:</b> Our Crisis Management Plan (CMP) is aimed at giving a broad outline at the macro level of HK Electric’s response to an emergency affecting several Divisions, which could cause potential damage to HK Electric’s long-term business plans. The plan covers all Divisions/Departments of HK Electric. In order to secure the best interests of HK Electric and restore good order as soon as possible in the event of crisis, a Crisis Management Team (CMT) may be formed on the direction of the Managing Director.</p> <p>At the micro level, individual Divisions/Departments prepare their own instructions to maintain the continuity of their business and have comprehensive plans to deal with contingency.</p> <p>The CMP will be reviewed and revised as and when necessary. A drill to test the effectiveness of the formation of CMT has been staged once a year. The drill for 2017 was conducted in April.</p> <p>We have contingency plan for handling of power interruption. Contingency Plans for Significant Events are in place.</p> <p>Significant Events include:</p> <ul style="list-style-type: none"> <li>• Earthquake</li> <li>• Failure of Main Energy Management System / Distribution Management System or System Control Centre becomes inoperative</li> <li>• Both System Control Centre and Remote System Control Centre are not available</li> <li>• System blackout</li> <li>• Extensive damage to generation facility</li> <li>• Extensive damage to transmission facility</li> </ul> <p>We regularly conduct drills to ensure the effectiveness and robustness of these plans and procedures.</p> <p>Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>
<b>TOPIC: ACCESS</b>		
<b>GRI 103: Management Approach 2016</b> and description on programs, including those in partnership with government, to improve or maintain access to electricity and customer support services		<p><b>WEB:</b> <a href="#">Concessionary Tariff Schemes</a></p> <p><b>SR:</b> Serving Hong Kong – Divider page; Serving Hong Kong – Reliable and Affordable Power Supply – Affordable Energy</p> <p><b>INFO:</b> We supply electricity to Hong Kong Island and Lamma Island which are generally highly urbanised areas and well-covered by our supply network.</p> <p>Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>
<b>EU26</b>	Percentage of population unserved in licensed distribution or service areas	<b>INFO:</b> 0%

EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	<p><b>INFO:</b> Sufficient notice would be communicated to customers with ample time to settle the non-payment, before executing the disconnection. In fact, the number of non-payment cases which lead to disconnection is very small as compared to the customer base of 577,000 accounts. In 2017, there were 1,058 no. of residential accounts (0.2%) being disconnected due to non-payment while we have acceded to 1,883 accounts for payment deferral from residential customers. In accordance with our service pledge, supply will be re-connected on the same day as payment is received. In addition, we provide energy efficiency advice to customers, and are willing to listen to customers with difficulties in bill settlement to see what we can help.</p>
EU28	Power outage frequency	<p><b>INFO:</b> SAIFI = 0.044</p>
EU29	Average power outage duration	<p><b>INFO:</b> SAIDI = 0.01 (Supply reliability rating = 99.9999%)</p>
EU30	Average plant availability factor by energy source and by regulatory regime	<p><b>SR:</b> Key Performance and Targets – Summary of Statistics</p> <p><b>INFO:</b> The plant availability broken down into gas and coal &amp; oil are 81.8% and 88.3% respectively.</p>
<b>TOPIC: PROVISION OF INFORMATION</b>		
<p><b>GRI 103:</b> Management Approach 2016 and description on practices to address language, cultural, low literacy and disability related barriers to accessing and safely using electricity and customer support services</p>	<p><b>WEB:</b> <a href="#">Concessionary Tariffs &amp; Caring Services</a></p> <p><b>SR:</b> Serving Hong Kong – Serving our Customers – Service Standards; Serving Hong Kong – Putting Safety First – Dependable Service, Safe Electricity Use</p> <p><b>INFO:</b> Please also refer to General Disclosure Item 102-46 for the topic boundary.</p>	

**Table for General Disclosure Items 102-40, 102-42 and 102-43**

<b>Stakeholder groups</b>	<b>Why are their views important?</b>	<b>Common engagement channels</b>
Customers	Electricity is a daily necessity for our customers.	1, 2, 3, 4, 5, 6
Shareholders	We are accountable to our shareholders.	1, 4, 5
Employees	We have a responsibility to care for our employees who devote much of their time to us, and depend on them for our success.	1, 2, 3, 4, 5, 6
Business partners	Having common CSR values is important in business relationships.	1, 3, 4, 5
Local communities	We care for the communities we serve.	1, 2, 4, 5, 6
NGOs and professional institutions	They are our key CSR and industry partners.	1, 2, 4, 5, 6
Education sector	We support green education particularly for students.	1, 2, 3, 4, 5, 6
Authorities and legislators	Authorities and legislators have a regulatory role in our utility business.	1, 2, 4, 5
Media	The media is an important partner in our communications with the public.	1, 5

<b>Remarks</b>	
1	meeting / conversation / enquiry
2	specific consultation committee / panel / team
3	survey / suggestion scheme
4	visit / talk / seminar / workshop
5	publication / website / briefing
6	advisory service / community programme

**Table for General Disclosure Items 102-44, 102-46 and 102-47**

A specialised stakeholder engagement exercise was conducted in end 2016. Questionnaires were issued to a number of representatives of the key stakeholder groups to collect their views on HKEI's sustainability reporting. After a review in end 2017, it is considered that the findings are still relevant for 2017.

Making reference to the GRI Standards, a total of 33 relevant sustainability topics have been identified by HKEI based on their relevance to its business. Material sustainability topics are defined as those with overall rating of "6" or above. After conducting the materiality assessment, 28 out of the 33 relevant sustainability topics identified were found material. The remaining five topics which are not material are shaded in the table below.

	Sustainability Topic	Stakeholders' Rating (0-5 scale)	HKEI's Rating (0-5 scale)	Overall Rating (0-10 scale)
1	Energy consumption and saving*	4.4	5.0	9.4
2	Air emissions*	4.4	5.0	9.4
3	Materials/water consumption and saving*	4.1	4.0	8.1
4	Effluent discharge and waste management*	4.2	5.0	9.2
5	Biodiversity conservation*	3.9	4.0	7.9
6	Supplier environmental assessment*	3.8	3.0	6.8
7	Employment and employee benefits**	3.7	5.0	8.7
8	Minimum notice periods for informing employees of operational changes that could substantially affect them	3.5	2.0	5.5
9	Occupational health and safety*	4.1	5.0	9.1
10	Training and education for employees**	3.9	5.0	8.9
11	Diversity and equal opportunity at work**	3.5	4.0	7.5
12	Non-discrimination*	3.4	4.0	7.4
13	Freedom of association and collective bargaining*	3.2	3.0	6.2
14	Child, forced or compulsory labour*	3.3	3.0	6.3
15	Human rights assessment*	3.2	3.0	6.2
16	Human rights training for security personnel	3.3	2.0	5.3
17	Impacts/benefits to local communities and society*	3.9	4.0	7.9
18	Public policy – political contributions	3.3	2.0	5.3
19	Supplier social assessment*	3.5	3.0	6.5
20	Emergency preparedness*	4.0	5.0	9.0
21	Customer health and safety*	4.1	5.0	9.1
22	Customer services (including customer emergency services, access to electricity)*	4.4	5.0	9.4
23	Operational performance (e.g. supply reliability, generation efficiency)*	4.5	5.0	9.5
24	Product and services information and labeling and marketing communications*	3.7	4.0	7.7
25	Customer privacy*	4.1	5.0	9.1
26	Incidents of violations involving rights of indigenous people	3.4	2.0	5.4
27	Economic performance*	3.9	5.0	8.9
28	Market presence (e.g. local employment ratio)	3.7	2.0	5.7
29	Indirect economic impacts*	3.5	4.0	7.5
30	Procurement practices*	3.5	3.0	6.5
31	Anti-corruption*	4.1	5.0	9.1
32	Anti-competitive behaviour*	3.9	4.0	7.9
33	Compliance*	4.2	5.0	9.2

Topic boundary:

\*Inside and outside organisation; \*\*Inside organisation only

## Cross Reference between our Sustainability Contents and SDGs

This Sustainability Report 2017 was also prepared with reference to SDGs. In accordance with SDG Compass, a guideline compiled by GRI, UN Global Compact and WBCSD, the links between our contributions described in the above GRI Disclosures and the corresponding SDGs are listed in the table below:

SDGs	Relevant GRI Indicators
SDG 1: No poverty	203-2, 413-2, EU22, GRI 103: Management Approach 2016 (Disaster / emergency planning and response), GRI 103: Management Approach 2016 (Access), EU26, EU27, EU28, EU29, EU30, GRI 103: Management Approach 2016 (Provision of information)
SDG 2: Zero hunger	201-1, 203-1, 203,2, 413-2, EU22,
SDG 3: Good health and well-being	203-2, 305-1, 305-2, 305-6, 305-7, 306-1, 306-2, 306-3, 403-2, 403-3
SDG 4: Quality education	404-1
SDG 5: Gender equality	102-22, 102-24, 201-1, 203-1, 401-1, 401-3, 404-1, 404-3, 405-1, 405-2, 406-1, 414-1, 414-2
SDG 6: Clean water and sanitation	303-1, 303-2, 303-3, 304-1, 304-2, 304-3, EU13, 306-1, 306-2, 306-3, 306-5
SDG 7: Affordable and clean energy	EU1, EU2, 201-1, 203-1, GRI 103: Management Approach 2016 (Availability and reliability), EU10, GRI 103: Management Approach 2016 (Demand-side management), GRI 103: Management Approach 2016 (Research and development), EU11, EU12, 302-1, 302-3, 302-4, GRI 103: Management Approach 2016 (Access), EU26, EU27, EU28, EU29, EU30, GRI 103: Management Approach 2016 (Provision of information)
SDG 8: Decent work and economic growth	102-8, 102-41, 201-1, 203-2, GRI 103: Management Approach 2016 (Demand-side management), EU11, EU12, 301-1, 301-2, 301-3, 302-1, 302-3, 302-4, 303-3, 401-1, 401-2, 401-3, EU15, EU17, EU18, 403-1, 403-2, 403-3, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, 407-1, 408-1, 409-1, 414-1, 414-2
SDG 9: Industry, innovation and infrastructure	201-1, 203-1, GRI 103: Management Approach 2016 (Research and development)
SDG 10: Reduced inequalities	203-2, 405-2
SDG 11: Sustainable cities and communities	203-1, GRI 103: Management Approach 2016 (Disaster / emergency planning and response)
SDG 12: Responsible consumption and production	204-1, GRI 103: Management Approach 2016 (Demand-side management), EU11, EU12, GRI 103: Management Approach 2016 (Environmental 2016), 301-1, 301-2, 301-3, 302-1, 302-3, 302-4, 303-3, 305-1, 305-2, 305-6, 305-7, 306-1, 306-2, 306-3, 417-1
SDG 13: Climate action	EU5, 201-2, GRI 103: Management Approach 2016 (Demand-side management), EU11, EU12, GRI 103: Management Approach 2016 (Environmental 2016), 302-1, 302-3, 302-4, 305-1, 305-2, 305-4, 305-5, 305-6, 305-7
SDG 14: Life below water	EU2, EU5, EU11, EU12, GRI 103: Management Approach 2016 (Environmental 2016), 304-1, 304-2, 304-3, EU13, 305-1, 305-2, 305-4, 305-5, 305-7, 306-1, 306-3,
SDG 15: Life on land	EU5, GRI 103: Management Approach 2016 (Environmental 2016), 304-1, 304-2, 304-3, EU13, 305-1, 305-2, 305-4, 305-5, 305-7, 306-3, 306-5,
SDG 16: Peace, justice and strong institutions	102-16, 102-17, 102-22, 102-23, 102-24, 102-25, 205-1, 205-2, 205-3, 206-1, 307-1, 406-1, 408-1, 414-1, 414-2, 416-2, 417-1, 417-2, 418-1, 419-1
SDG 17: Partnerships for the goals	203-2, GRI 103: Management Approach 2016 (Research and development)