

CLP – Safety, Health and the Environment



Mr. Andrew Brandler, CEO, conducts a Management SHE Walk

The CLP Group has a responsibility to provide a safe, healthy and clean environment for our employees, customers and the community.

To meet this responsibility, CLP has adopted safety, health and environmental (SHE) policies which:

- Place the utmost priority on safety wherever and in whatever form CLP carries on its business;
- Ensure that full regard is given to the safety, health and environmental implications of our business decisions; and
- Recognise an obligation to contribute to sustainable economic development.

SHE MANAGEMENT SYSTEM

SHE issues are fundamental aspects of the operations of CLP Power. They are managed as an integral part of our activities through systems, procedures and instructions established under an

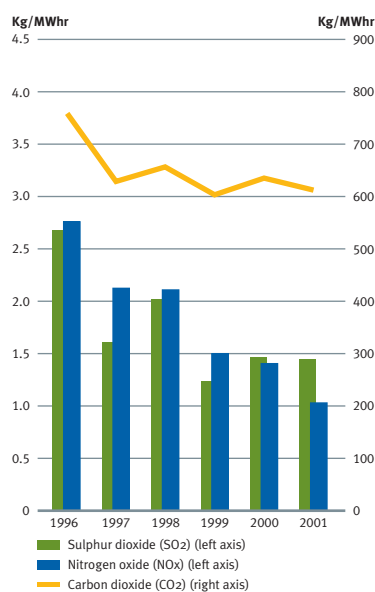
Operations Integrity Management System (OIMS).

OIMS is a management framework which incorporates the concept of risk management and develops

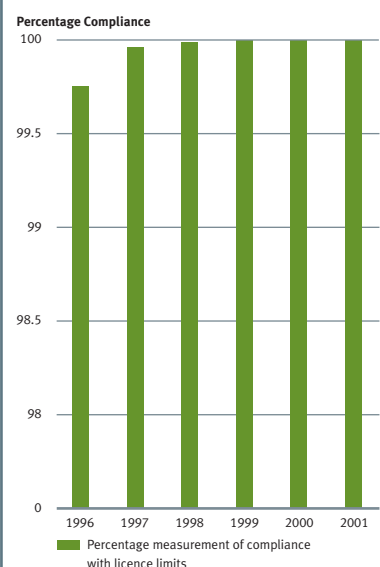
core operational procedures to prevent accidents, improve health and protect the environment. This integrated approach is key to CLP Power's target of zero accidents and zero non-compliance with safety, health and environmental regulations.

Achieving these targets requires implementation of our SHE

Emission Levels



Environmental Regulatory Performance



Over 7,500 colleagues, their family members and guests attended the annual Safety, Health and Environment Day at Black Point Power Station



initiatives and objective verification. An annual OIMS assessment is conducted to verify the status and effectiveness of the framework. External audits, such as the annual National Occupation Safety Association (NOSA) 5-Star Audit, contribute to the verification process.

In 2001, 12 out of 15 audited business units of CLP Power were awarded the highest 5-Star NOSA grading.

CLP Power's SHE practices are now being applied across the CLP Group. In 2001, both CLP Power China and CLP Power International developed SHE management systems, which will be implemented in our projects in the Mainland and the Asia-Pacific region.

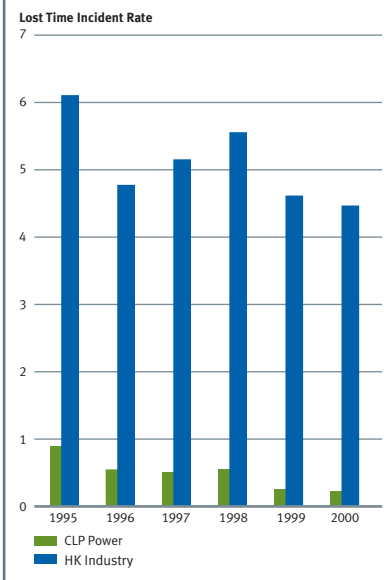
SAFETY AND HEALTH

CLP's safety and health performance is measured by

work-related injury rate and annual safety and health audits. Over the last decade, CLP Power's injury rate was significantly reduced and is presently about one-twentieth of the average Hong Kong industry rate. This reflects a commitment to accident prevention from all levels of CLP's management and workforce. As reported in last year's Annual Report, in January 2001, CLP's excellent safety record was marred by a tragic accident at 132/11kV substation in Kowloon with the loss of life of two CLP Power employees.

This accident has been investigated by a high-level CLP management panel whose findings have been disclosed to all the relevant Hong Kong authorities. In addition, and in line with our absolute commitment to excellence and continuous improvement in safety performance, a full-time taskforce

Comparative Accident Rate



reporting directly to Senior Management has undertaken a review of all CLP's safety systems and procedures.

ENVIRONMENT

The generation, transmission and distribution of electricity involve environmental issues. CLP recognises its obligation for



CLP Power's Environmental, Health and Safety Interim Review 2001 published on CLP's website

environmental stewardship, and maintains a vigorous environmental management system for every part of our operations. We maintain a frank and open dialogue on environmental issues with members of government, environmental interest groups, customers, residents, and others who share our concerns for the environment.

CLP is a recognised leader in environmental stewardship. Our policy of compliance is supplemented with initiatives which go beyond regulatory requirements, with innovative projects such as our environmentally friendly substation commissioned in 2001, and our tree planting programme which took on new proportions during our centenary celebration.

CLP has also achieved a remarkable reduction of 40% in the emissions of greenhouse gases in the Pearl River Delta through the introduction of reduced and non-carbon fuel technologies over the past decade.

SHE REPORTING

Honesty and openness about the safety, health and environmental implications of our business are key both to a constructive discussion of these issues and to an informed critical external review of our activities.

CLP Power's Environmental, Health and Safety Review, issued in 1998, measured its performance against regulatory requirements and our policy commitments. It was the first report of its kind ever to be publicly released by a Hong Kong-based company. In 2000, the second issue of the Review was released in order to provide stakeholders with a

balanced account of CLP Power's SHE performance, as well as current SHE practices and future initiatives.

In June 2001, CLP Power issued its Environmental, Health and Safety Interim Review 2001. This is available on our website and presents an updated picture of the progress and performance of major SHE programmes.

CLP Power's environmental awareness was recognised by the Hong Kong Awards for Industry – Environmental Performance for 2001.

EMPLOYEE INVOLVEMENT

CLP staff aim to be "SHE aware" across the span of our activities, whether these be capital projects or routine operations. For example, the Tin Shui Wai 'B' substation opened in 2001, incorporates

CLP workers equipped with breathing apparatus prior to entering a confined space



environmentally friendly features, such as a low noise transformer, oil free cables and a design which blends in with the background environment. In our daily operations, CLP's waste reduction initiatives earned the Green Office Gold Award 2000 in the Hong Kong Eco-Business Awards and six Gold Wastewi\$e Awards in the Hong Kong Government Wastewi\$e Scheme promoting the reduction of office waste.

Since 1989, CLP Power has been implementing the 5S Housekeeping Programme. This programme promotes good housekeeping at the workplace. In 2001, Tsuen Wan Depot won the overall Gold Award in the Good Housekeeping Competition organised by the Occupational Safety & Health Council, involving 250 companies.

SUSTAINABLE DEVELOPMENT

Safety, health and environmental issues are essential elements of the larger issue of sustainable development – development that meets the needs of the present without impairing the ability of future generations to meet their

needs. As part of its continuing development of business strategies that create social and environmental value as well as contribute to sustainable economic growth, CLP has become the first company in Hong Kong to join the World Business Council for Sustainable Development.

