

*Achievement of our business goals will depend, in large measure, on our ability to attract and retain a highly skilled and motivated workforce.*



Team building at the Leadership Development Programme

The quality and mindset of our people is critical to CLP's success. The change in corporate culture is well underway throughout the CLP Group to prepare for a more competitive environment for our Hong Kong electricity business, as well as expansion and diversification into new business areas. The human resources strategies which we are implementing, are aligned with the future needs and evolving business environment of the Group, and support the creation of an entrepreneurial, commercial and results-driven culture.

During the year 2000, a number of major human resources initiatives were taken, including:

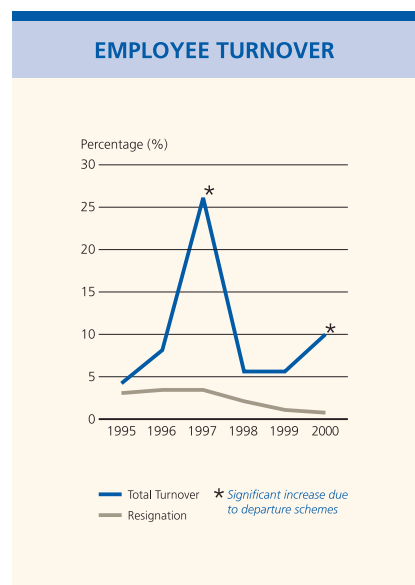
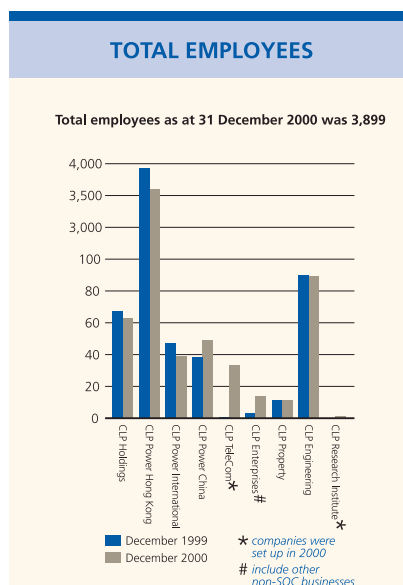
- **Enhancement of the Performance Management System** to tie employee skills and

efforts more closely to the achievement of business objectives and priorities, and reward them accordingly;

- **Introduction of a revised Total Remuneration Strategy** which is

clearly linked with our electricity business requirements in the Mainland and the Asia-Pacific region. This includes a performance-based incentive scheme that rewards staff for their contribution to business objectives success, and will enable us to attract, retain, and encourage high levels of performance from talented individuals;

- **Group-wide introduction of SAP Enterprise Human Resources System ("EHRS")** to provide wider, better and easier access to key human resources information. This will give us a more accurate and comprehensive picture of our human resources skills and abilities and allow us to develop and implement highly focused





programmes for enhancing the quality of those resources. The system introduces streamlined processes to reduce routine administrative work, improves the services delivered to employees and provides on-line information to line management so that the human resources units can be more focused on ensuring that human resources are better managed to meet future business challenges; and

- **Successful introduction of a new Retirement Benefits Scheme** across the whole Group. The new retirement benefits scheme is a Defined Contribution Scheme common for the CLP Group. It replaced the previous Provident & Retirement Fund and Long Service / Retirement Benefit programmes, which were Defined Benefit Schemes. The new retirement benefits strategy is to ensure that our scheme is fair, competitive, in line with market practice and supports the welfare of our staff on their retirement.

Looking ahead, developing the quality and depth of talent that CLP will need to succeed requires on-going emphasis on:

- Identifying and developing high-potential staff to create a pool of talent that will allow us to meet future demands for new skills, and more leadership capability, as our business expands and diversifies;
- Enhancing employees' commercial awareness / skills, such as through our Purchasing Learning & Development Programme, which aims to reinforce company competitiveness by improving the commercial and purchasing capabilities of employees; and
- Continuing and expanding skills and competence training across our workforce (in the year 2000, each employee spent an average of five working days on training) .

#### EMPLOYEES BY CATEGORY

