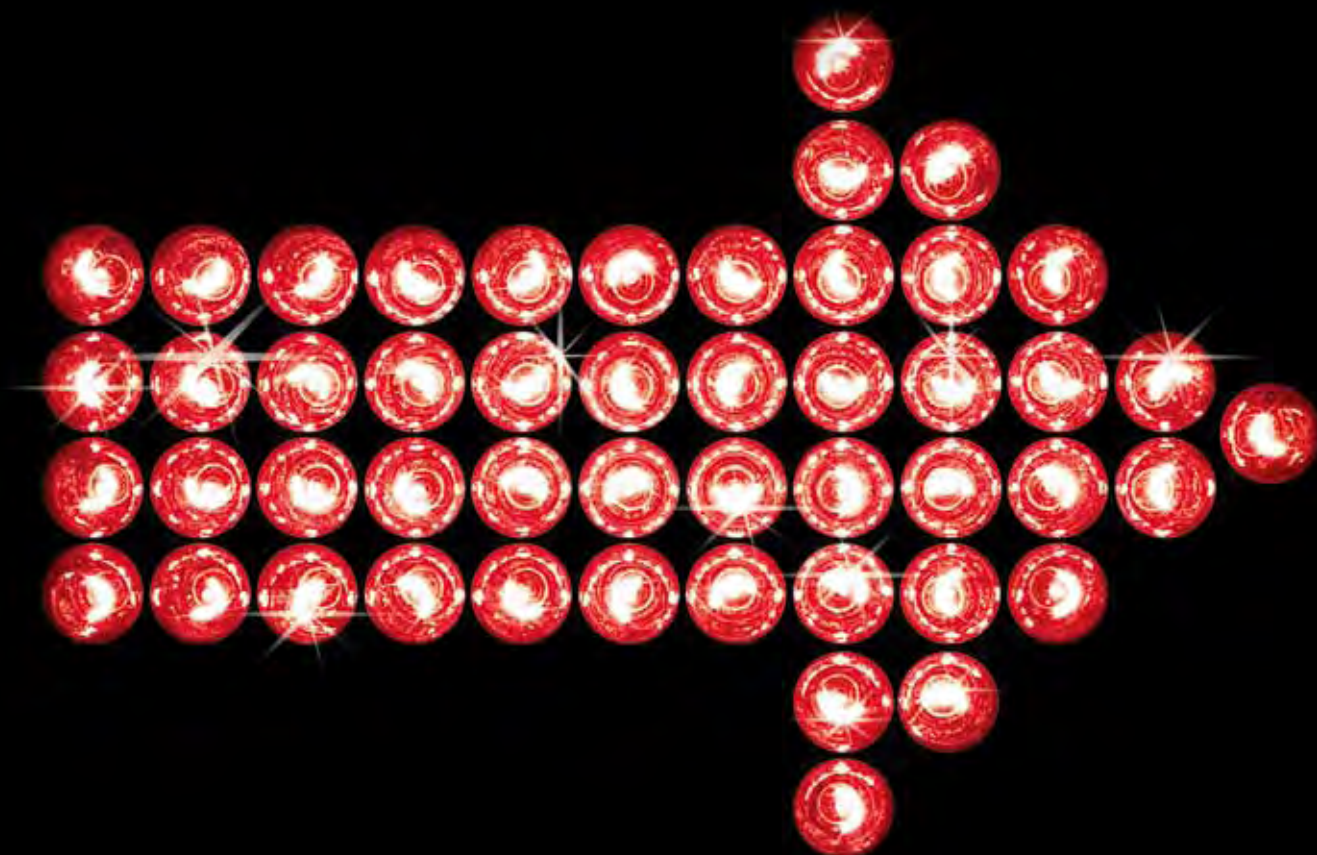


# Commitment

HK Electric has shown its continuing commitment to Hong Kong through its substantial investment over the years in Hong Kong's electricity infrastructure and environmental management, employee safety and development as well as public education and enrichment.





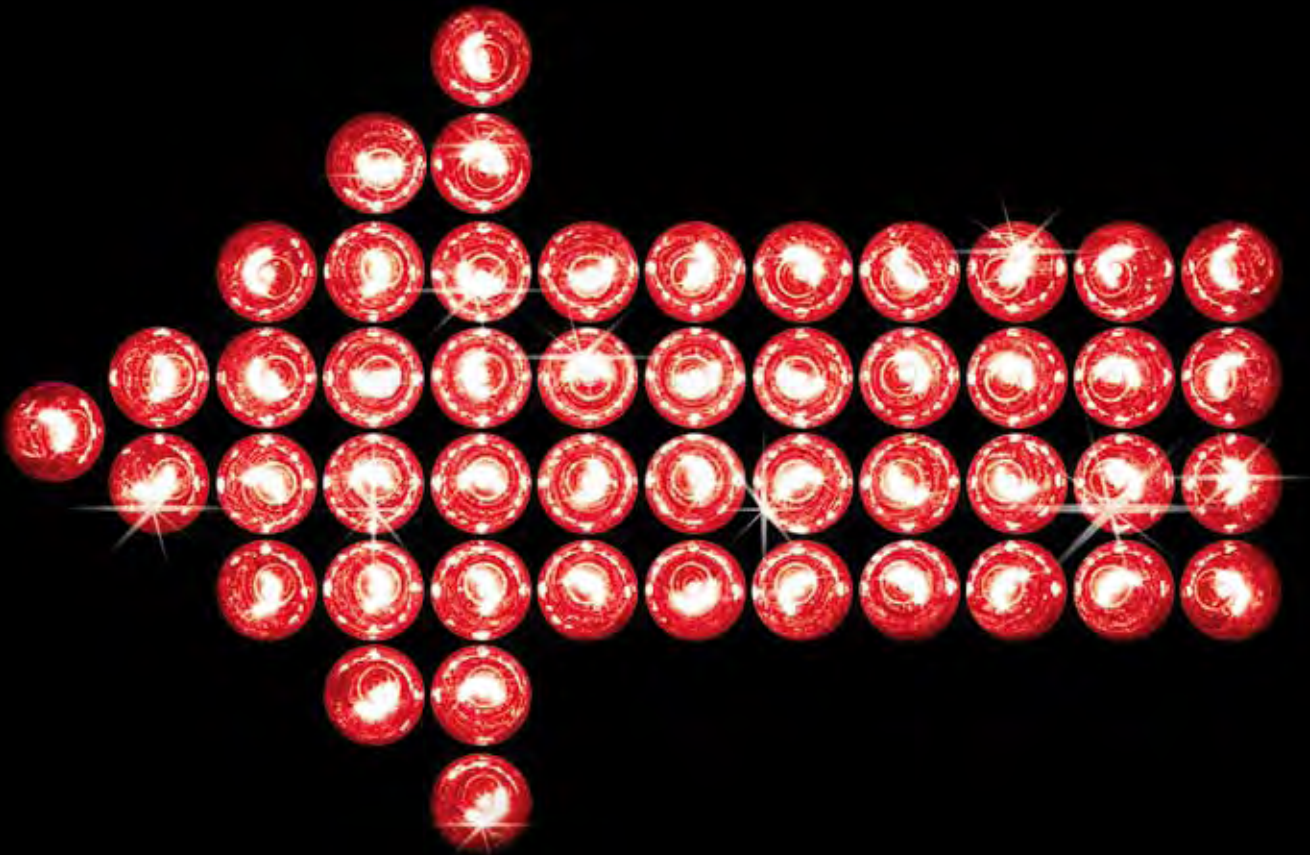
*The "Cruise and Learn" programme continues to benefit underprivileged children.*



*The Yunnan Dali Wind Project is one of two wind power projects in mainland China.*



*Northern Gas Networks distributes gas to 2.6 million homes and businesses.*





*HK Electric is recognised for outstanding environmental achievement.*



*Three Lamma units are being retrofitted with Flue Gas Desulphurisation plants.*



*Young designers capture the spotlight at our "Go Green Fashion Design Competition".*

## ...to reducing emissions

### Emissions reduction programme

HK Electric's emissions reduction programme at the Lamma Power Station progressed well in 2008. We continued to move toward achieving the Hong Kong Government's 2010 emission targets.

A number of retrofit projects progressed at different stages in 2008, including the completion of all piling and civil works for the retrofit of the Flue Gas Desulphurisation (FGD) plants at Units 4 and 5, and most civil works for the Unit 2 FGD retrofit at the Lamma Power Station. Installation of the Unit 5 FGD plant, including the absorber tower, associated gas ductwork and common facilities started in 2008 and are in reasonable progress targeting for commissioning by mid 2009. Installation of the Unit 4 and Unit 2 FGD plants also commenced in 2008.

For Units 4 and 5 Low Nitrogen Oxides System, retrofit work is currently underway. Site retrofit work at the L5 boiler began in October 2008 and was completed before the end of January 2009, targeting for commissioning in April 2009. Finally, retrofit work for L4 boiler is scheduled for commencement in September 2009, for commissioning by March 2010.

### Harnessing wind energy

Following the completion of a Comprehensive Site Selection Study in April 2008, detailed Environmental Impact Assessment (EIA) studies for both the Southwest Lamma Site and Eastern Offshore Site for

the development of a 100MW Offshore Wind Farm commenced in August 2008. Marine mammal and avifauna surveys for both sites are in progress, and a draft EIA Report will be ready in mid 2009.

Meanwhile at Lamma Winds, our demonstration wind turbine project on Lamma Island, over 800,000 kWh of electricity was generated in 2008 which saved over 600 metric tons of carbon dioxide emissions.

By visiting the wind power station, people of all ages can gain an appreciation of renewable energy and its environmental benefits. In 2008, a total of 70 visits for professional institutes and schools to Lamma Winds and Lamma Power Station were organised to enhance public understanding of our operation.

### Environmental management

Our Environmental Management System at Lamma Power Station (LEMS) was certified to have met the requirements of ISO 14001:2004 by the HKQAA. The certification recognises LEMS's conformance to internationally acclaimed standards in dealing with potential environmental impacts generated during electricity production.

In the Lamma Power Station, wastewater and rainwater collected for reuse made up 9% of our raw water consumption. Besides, 85,000 metric tons of ash were harvested from the Ash Lagoon and used for reclamation and land formation at our Lamma Extension site. In addition to paper and batteries, we began collecting spent fluorescent tubes and energy-saving lamps for recycling.



*Students gain practical insights and learn about applications of renewable energy for sustainable development with the support of the HK Electric Clean Energy Fund.*



*The Clean Energy Fund supports the use of renewable energy on school campus.*

Our commitment to environmental protection and continuous improvement in environmental performance continued to be recognised in 2008. We won the Environmental Performance Award of the 2008 Hong Kong Award for Industries organised by the Business Environment Council, the 2008 Prime Award for Eco-Business, Hang Seng Pearl River Delta Environmental Awards and the 2008 Hong Kong Enterprise Environmental Achievement Award.

### **Environmental education**

The Smart Power Campaign 2007/08 was launched in November 2007, focusing on promoting energy sustainability in everyday lives, while continuing with its conservation messages.

Under the campaign, around 1,000 students from local schools took an educational and fun-packed journey to the Lamma Power Station and Lamma Winds in April 2008. Eco-tours on Lamma Island, conducted by HK Electric volunteers, were incorporated into the four-hour programme to inspire young students to love and care for the environment.

In addition to a cooking competition and a series of radio programmes, we also held a “Go Green Fashion Design Competition” in June 2008. An array of innovative designs captured the spotlight during the show, which was attended by more than 200 young fashion designers and their supporters. Designers recycled used clothing and newspapers, discarded compact discs, and even mosaic tiles to convey sustainability and energy conservation messages.

Another 12 schools were awarded funding to implement renewable energy projects on their campus. The projects range from an aquatic system energised by PV panels and wind turbines to a stepping generator for powering gardening devices. Students gained practical insights and learnt about applications of renewable energy for sustainable development with the support of the HK Electric Clean Energy Fund.

### **...to employee well-being**

#### **Health & safety education**

To ensure that health and safety issues are paramount in HK Electric, leading indicators on health and safety were introduced in respect of hazard identification, risk assessment and risk control. The indicators include site safety inspections, pre-job risk assessment, job safety analysis, manual handling risk assessments and display screen equipment risk assessments, and safety audits.

An annual audit of HK Electric’s Health & Safety Management System carried out in November 2008 confirmed that the present Corporate Health and Safety Management System was properly developed, implemented, and is in compliance with the statutory requirements on health and safety.



The “Cooking in Harmony” programme helps new arrivals integrate into the community.



HK Electric introduces leading Key Performance Indicators on health and safety.



Over 1,000 senior citizens play and learn at our “CAREnival for the Elderly”.

### Training and development

During the year, 18,425 participants joined in various types of training activities and 64,945 training hours were recorded. Apart from well-established training schemes for university graduates, trainee technicians and apprentices, we provided training for employees in management and functional skills, language skills, computer knowledge and technology relevant to our industry by both classroom training and e-learning platforms. Job-related programmes to develop and enhance the general skills and knowledge of employees were also provided. In addition, various talks were held regularly for all levels to widen the knowledge base and perspective of employees catering for their intellectual, social, emotional and physical wellness.

### ...to community investment

#### Volunteering for a caring community

We are very proud of the HK Electric Volunteers Team which boasts a membership of 843, about 44% of our employees. Our volunteers continued to extend the Company’s care to the needy in 2008, organising 68 voluntary services, with the total service hours exceeding 3,860.

Our volunteers left their mark with three new eco-trails that were developed to encourage the public to explore and appreciate Lamma Island’s ecological resources as well as cultural and historical relics, allowing more

people to understand and enjoy Lamma in a green way. To facilitate understanding, 20 educational panels were installed en route, while an eco-tour map was published and 60 eco-leaders, including Lamma residents, HK Electric volunteers, and secondary school students, were trained as we marked the completion of the three-year Green Lamma Green project.

#### CAREnival for the elderly

To ensure that our elderly customers are kept informed of the Hong Kong Government’s provision of an electricity charge subsidy for all domestic customers commencing 1st September 2008, HK Electric partnered with three local community groups to organise a new community programme named “CAREnival for the Elderly” for the Company’s elderly customers who currently enjoy its concessionary tariff. Over 1,000 senior citizens attended the carnivals held between August 2008 and February 2009, and learnt about the safe use of electricity and energy efficiency through fun and games.

#### Supporting elderly education

Also centering on the elderly, the U3A (University of 3rd Age) network, which is funded by the HK Electric Centenary Trust, was expanded to include 19 social service agencies. Six more organisations were selected to run U3A courses in 2008, which is designed to support lifelong learning and volunteerism among the retired population in Hong Kong. Over the past three years, more than 550 courses have been organised,

*Our volunteers leave their mark with three new eco-trails that are developed to encourage the public to explore and appreciate Lamma Island's ecological resources as well as cultural and historical relics.*



*The Smart Power Open Day provides a fun, educational journey to the Lamma Power Station and Lamma Winds for 1,000 students.*

benefitting over 8,000 U3A students. Participants were recognised for their achievements at a ceremony in March 2008.

To build on the success of the programme, we rolled out the “Outstanding Third Age Citizens Award” in November 2008 to recognise retirees with exceptional achievements in promoting lifelong learning and dedicated community service. It is hoped that the award scheme will encourage more third age citizens to fully apply their knowledge and experience and thereby continue contributing to our society.

### **Other community programmes**

The popular “Cruise and Learn” programme continued in 2008 to benefit underprivileged children and their family members. Organised quarterly, a total of four educational boat trips were arranged in 2008 to visit the Lamma Power Station and cruise the Victoria Harbour. Participants were able to learn more about the power industry, environmental protection and the many historical and financial landmarks of Hong Kong. Over 400 participants from the YMCA, The Salvation Army, The Hong Kong Federation of Youth Groups, and the Hans Andersen Club took part in the cruises.

A special culinary programme “Cooking in Harmony” was organised in partnership with Christian Action in 2008 for ethnic minorities and new arrivals from mainland China. In an effort to help them better integrate into the Hong Kong community, the programme included a parent-child

workshop on festive customs and delicacies, as well as an 8-session workshop on dishes and drinks available in Hong Kong style cafés.

We continued to partner with the Housing Authority in conducting monthly electrical inspections for single elderly people living in public housing estates. Visits were paid to 70 senior citizens during the year and our volunteers helped inspect their electrical installations and replace any sub-standard plugs or adaptors to ensure safety.

HK Electric volunteers supported several green activities in the community throughout 2008, including “Clean up the World in Hong Kong”, “No Hill Fire on Lamma Campaign”, and “International Coastal Clean-up Action”. They also helped raise funds by selling flags for four NGO's in 2008.

We are a generous supporter of charitable organisations and meaningful causes to help the needy. In 2008, millions of dollars were spent supporting a total of 86 community, environmental and professional projects.