

## People-Centric



## Safety

- 0 employee and contractor work-related fatalities<sup>1</sup>
- 0 major incidents and chemical leakages at chemical plants
- Group lost work hours injury rate (number of accidents per million work hours):
  - Employees: **0.35**
  - Contractors: **0.22**
- Safety training hours:
  - Hong Kong: **23,019 hours**
  - Chinese mainland: **866,091 hours**
- Conducted nearly **1.17 million** regular safety inspections (Hong Kong) and over **17.57 million** household safety inspections (Mainland City-gas)



## Employees

- Training and development
  - Average training hours per employee: **60.3 hours**
- Promoting diversity and inclusion
  - Employment of persons with disabilities: **10** (Hong Kong)
  - Gender pay ratio (base salary): **1:1** (Hong Kong)



## Community

- Over **40,000** households benefitted from the “Towngas Concession Schemes”, with total funding over **HK\$36 million** (Hong Kong)
- Volunteer service hours exceeded **20,000 hours**, benefitting over **640,000 people** (Hong Kong)
- Introduced “**Social Impact Assessment**” based on international frameworks, with results to be disclosed in 2025

## Celebrating the 25th Anniversary of the Towngas Volunteer Service Team

Since the early 1970s, employees of Towngas have voluntarily organised various charitable activities. Established in 1999, the Towngas Volunteer Service Team has served for 25 years as at 2024. The team has continually expanded its range of services, now reaching a diverse array of beneficiary groups, such as elderly, teenagers, underprivileged families, ethnic minorities, and individuals with disabilities. To date, the total service hours have exceeded 1 million, positively impacting over 8.5 million beneficiaries.



For further details, please refer to the “People-Centric – Co-Creating a Sustainable Future” chapter in the ESG Report 2024.

## Towards Carbon Neutral



## Climate Change

- Total Scope 1 and Scope 2 GHG emissions decreased by **9%** (2020 baseline)
- **84** investment projects have been analysed using an internal carbon pricing mechanism
- Over the past two years, **HK\$1.9 billion** has been invested in equipment/pipeline upgrades to help mitigate climate change risks (Hong Kong)



## Renewable Energy

- Deployed a cumulative of **128** zero-carbon smart industrial parks, with a cumulative grid-connected photovoltaic capacity of **2.3 GW**
- Achieved an annual production capacity of **100,000 tonnes** of green methanol
- Kick-started Hong Kong's **first** “green hydrogen” project
- EcoCeres, Inc. has produced approximately **180,000 tonnes** of SAF



## Energy Saving and Efficiency Improvement

- **100%** of residential gas cookers and water heaters achieved a Grade 2 or higher in Mandatory Energy Efficiency Labelling Scheme (MEELS) (Hong Kong)
- The electricity consumption of the North Point Headquarters building saved over **130,000 kWh** of electricity compared to last year, with total electricity use down **15.7%** with 2015 baseline (Hong Kong)



## Waste Recycling

- Recycled **1,425 tonnes** of metal through the Used Gas Appliance Recycling Programme (Hong Kong)
- Launched the gas-powered food waste processing machine, capable of reducing food waste volume by over **90%** (Hong Kong)

## TERA-Award Smart Energy Innovation Competition

The TERA-Award held its third edition in 2024. Cumulatively, the competition has attracted nearly 1,000 zero-carbon technology startups from 59 countries and regions worldwide. The Gold Award winner can receive a prize of US\$1 million. In addition, winning teams gain opportunities to connect with experts from various fields through the TERA-Award platform. They may also receive funding, technical support, and practical application scenarios from investors and enterprises to support their innovative ideas.



For further details, please refer to the “Towards Carbon Neutral – Composing a New Chapter in Green Initiatives” chapter in the ESG Report 2024.

## Stakeholders Partnership



## Supplier Management

- The **first** public utility in Greater China to launch a sustainability-linked supplier payment solution
- **100%**<sup>2</sup> of new suppliers were screened using environmental and social standards as one of the criteria
- Over **90%**<sup>3</sup> of critical tier 1 suppliers have used S-Carbon to complete GHG emissions quantification



## Quality Management

- The reliability of gas supply<sup>4</sup> is as high as **99.992%** (Hong Kong)
- The emergency team arrived on-site in an average of **21.12 minutes** (Hong Kong)
- The overall customer satisfaction rate for the extended businesses brand “Bauhinia” reached **99.5%**

## Driving ESG Implementation among Suppliers to Build a Green Supply Chain

During the year, Towngas has partnered with HSBC to launch the “Towngas Green Supply Chain Finance Programme” in mid-2024. This initiative aims to encourage suppliers to adopt low-carbon technologies and sustainable practices through financial support and GHG data management, thereby reducing the overall carbon footprint of the supply chain.



For further details, please refer to the “Stakeholders Partnership – Enhancing Value Chain Resilience” chapter in the ESG Report 2024.



<sup>2</sup> Refers to Hong Kong business and city-gas business on the Chinese mainland.

<sup>3</sup> Based on the total procurement value of products and materials (refers to Hong Kong business and city-gas business on the Chinese mainland).

<sup>4</sup> Unplanned gas supply interruption.



香港中華煤氣有限公司  
The Hong Kong and China Gas Company Limited  
(Stock Code: 3)

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT  
2024

TOWARDS A  
GREENER FUTURE





ABOUT TOWNGAS

The Hong Kong and China Gas Company Limited (Towngas or the Group) was established in 1862 and is the longest-standing public utility in Hong Kong. Over the years, Towngas has transformed from a gas company supplying fuel for street lamps to a leader in the energy industry on Chinese mainland and beyond. We now provide safe and reliable energy solutions to homes and businesses across all sectors of society. Our expansion into Chinese mainland began in 1994, and the Group's business scope has continued to expand. It currently operates in 29 provincial regions and has participated in 970 projects.



ABOUT THE ESG REPORT

This year's Report is prepared in accordance with international and local disclosure standards and centres around four major chapters, namely "Resilient Governance", "People-Centric", "Towards Carbon Neutral," and "Stakeholders Partnership", with the purpose of allowing stakeholders to obtain relevant information more intuitively.



2024 ESG Achievements

ESG Recognitions

- Climate Governance Awards**
- Listed Company – Executive Directors
  - Listed Company – Boards

The Hong Kong Institute of Directors



**Best Corporate Governance and ESG Awards 2024**

- ESG Award (Hang Seng Index Category)

The Hong Kong Institute of Certified Public Accountants



**Industry Cares Recognition Scheme 2024**

- Best Social Impact Award (Enterprise Group)
- Outstanding Caring Award (Enterprise Group)

Federation of Hong Kong Industries



**S&P Global Corporate Sustainability Assessment (CSA) 2024**

- Secured spot in Dow Jones Sustainability Asia/Pacific Index for third consecutive year
- "Top 1" S&P Global CSA Scores among Chinese Companies (Gas Utilities)
- Sustainability Yearbook (China Edition) 2024 – Member

S&P Global



ESG Ratings

MSCI ESG Ratings 2024



A

S&P Global ESG Score 2024\*

S&P Global

71

\* A constituent of the Dow Jones Sustainability Asia Pacific Index

Hang Seng Corporate Sustainability Index ESG Rating 2024\*

Hang Seng Corporate Sustainability Index Series Member 2024-2025

AA+

\* A constituent of the Hang Seng Corporate Sustainability Index Series

FTSE4Good Index 2024



FTSE4Good

Inaugural Inclusion in the FTSE4Good Index Series

ESG

Rating Results



CDP Climate Change Score 2024



B

Sustainalytics ESG Risk Ratings 2024



Medium Risk

Resilient Governance



Board Diversity

- Our Board of Directors comprises members with diverse backgrounds and and professional experiences in
  - Finance
  - Legal
  - Public Policy
  - Corporate Governance
- A female director was appointed to the Board during the year to enhance **board gender diversity**



Compliance

- **No significant material violation was found in the group regarding** the following aspects:
  - Business Ethics
  - Health and Safety
  - Employment Practices
  - Customer Management
  - Environment
- **100%** of employees have completed anti-corruption training (Hong Kong)



ESG Governance

- **The Board ESG Committee** provides guidance to the wider Board of Directors on all ESG matters concerning the Group
- Board members participate in regular professional **ESG sharings** to stay updated on the latest market trends



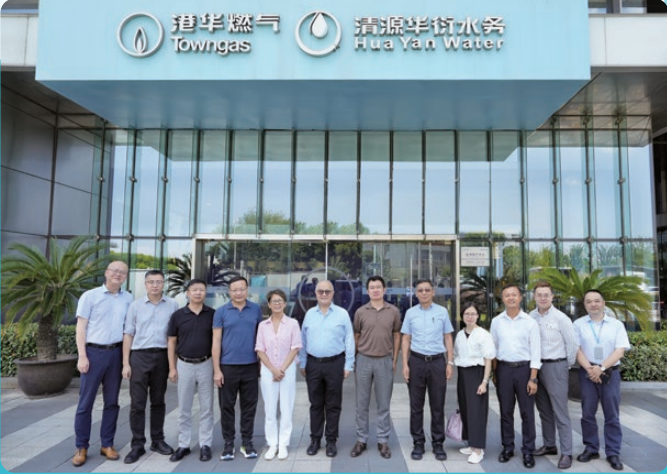
Stakeholders Engagement

- Collected nearly **400** survey responses through stakeholders engagement
- Communicated the Group's ESG performance to **20** internal and external stakeholders in four focus group discussions



Board Members Conducted On-Site Evaluations of Our Diverse Business Operations

To gain a deeper understanding of the Group's business operations and to steer future development directions, the Group arranged for Board members, including Independent Non-Executive Directors, to conduct an on-site inspection of Towngas' operations in Suzhou, covering city-gas, water and environmental services, renewable energy, extended businesses and other fields of operations.



For further details, please refer to the "Resilient Governance – Foundation for Collaborative Development" chapter in the ESG Report 2024.



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