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九龍樂善堂
Since 1880 成立

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20 Years of Volunteering

Our volunteer team has clocked over 960,000 hours of caring services to the community since its establishment in 1999.



A Greener Home

Our MasterCraft Volunteer Team participated in our Green Flame Project – Upcycling for a Greener Home to help improve the living environment of underprivileged families.

Corporate Social Responsibility



Best Employer

Towngas was ranked in the top three Hong Kong companies among 2,000 global companies on the *Forbes* magazine list of World's Best Employers 2019.

Corporate Social Responsibility

As a leading utility company, we strive to set an example in the way we conduct our business, ensure the health and safety of our stakeholders, protect the environment and serve the community. Our ultimate objective as a socially and environmentally responsible organisation is to become the greenest, most esteemed company in Hong Kong and mainland China.

Towards a Sustainable Future

In our quest to become a more sustainable company, Towngas is guided by an overarching framework that sets out five focus areas for our sustainable development: Creating Business Opportunities; Ensuring Health and Safety; Protecting the Environment; Contributing to Stakeholders; and Strengthening Corporate Governance.

During the year, our businesses continued to support the four key Sustainable Development Goals (SDGs) of the United Nations. Covered under the UN's 2030 Agenda for Sustainable Development, the SDGs we have selected include Goal 6: Clean Water and Sanitation; Goal 7: Affordable and Clean Energy; Goal 11: Sustainable Cities and Communities; and Goal 13: Climate Action.

Our efforts to achieve greater sustainability in our operations have been widely recognised.



In 2019, we earned the Gold Award in the Manufacturing Sector at the BOCHK Corporate Environmental Leadership Awards organised by the Federation of Hong Kong Industries. This was the third time in four years that we have won this award. Moreover, the Business School of the Chinese University of Hong Kong released its fourth Hong Kong Business Sustainability Index, on which Towngas was ranked first among the 50 constituent companies. We were also the first

During the year, we established the MasterCraft Volunteer Team that helps to improve the living environments of disadvantaged families by using our professional skills in design and engineering.

company to achieve a score of 90 or above and reached the top level of "Exemplar".

Promoting Green Awareness

We are working to raise awareness of the importance of environmental protection both in the community and within our own operations.



A participant in our Plantation Enrichment Project takes care of tree seedlings.

Our staff volunteers play a key role towards this objective by organising projects that demonstrate how to lead a more sustainable lifestyle. One example was our Green Flame Project – Upcycling for a Greener Home in partnership with St. James' Settlement. In this project, our MasterCraft Volunteer Team joined primary school students to upcycle waste and create items such as wooden shelves and wall units to improve the living conditions of underprivileged families residing in cramped homes. The children taking part in the project also visited our landfill gas utilisation facility, where they learned about the renewable energy initiatives we are developing.

To help the next generation develop an interest in STEM subjects and learn more about the environmental challenges we face, Towngas organised the Inter-School Environmental Scientific Investigation Competition. Participating students conducted field experiments in hydroponics using equipment upcycled from our scrap polyethylene pipes. From this experiment, students were able to increase their environmental knowledge and enhance their problem-solving skills.

We also continued to work closely with green organisations during the year on programmes to promote environmental protection. One of these was a programme in which HK\$20 was donated to a green group designated by the customer for every new registration in our eBilling service. Concurrently, we launched a publicity campaign to deliver green messages via public transport, radio and online media in order to encourage the public to live a greener lifestyle.

Internally, we organised a number of projects for raising green awareness among our employees. These included workshops to promote recycling and upcycling, a Low Carbon Flame Cooking Demo for green living, and seminars on air quality, biodiversity and food waste.

In order to stimulate innovative thinking on environmental protection, the Managing Director's Award in 2019 was organised under the theme, "Green Towngas".

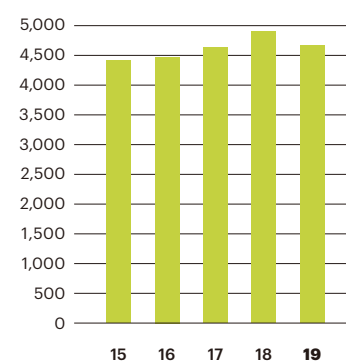
We also rolled out a programme inspired by a previous winning project, in which secondary school students were invited to submit designs for paintings to decorate the exterior of our gas governor kiosks to convey the message of green living in the community.

Embracing Innovation

Innovation is at the centre of our corporate culture, which together with implementation is an integral component of our philosophy of "Growth = innovation x implementation" for inspiring new ways of thinking that spur sustainable business growth. To that end, we focus on research and development and invite employees to propose their own ideas on how we can better achieve our sustainability objectives. During the year, the Group incurred over HK\$170 million in total research and development related expenditures in Hong Kong and mainland China.

Revenue per Employee

Company (HK\$ thousand)





CELEBRATION

To commemorate the 20th anniversary of the Towngas Volunteer Service Team, we organised a special luncheon and exhibition, which was attended by our community partners, social organisations and the beneficiaries of the Team's services.



In 2019, we continued a series of incentive programmes, including the Innovation Funding programme originally set up in 2016. Eligibility for Funding was extended to mainland China in 2019, enabling all employees across the Group to apply and bring their ideas to life. One of the ideas developed by our employees was a Water Heater Hydropower Generator Module that generates electricity from the normal water flow and stores it in a specially designed capacitor for flame ignition. Not only does this eliminate the pollution caused by the disposal of used batteries but also the inconvenience of having to replace them. Suitable for both new installations and for retrofitting existing water heaters, this innovative add-on device won the Innovation and Creativity Grand Award at the 2019 Hong Kong Awards for Industries.

Cultivating Integrity

In order to build and maintain the trust of stakeholders, it is essential that an organisation is, and is seen to be, ethical. Due to the efforts we make to promote integrity in our business, we at Towngas enjoy a good reputation for our high ethical standards. This was affirmed during the year when we received the Junzi Corporation Exemplary Award from the Hang Seng University of Hong Kong.

During the year, we continued to promote integrity in the workplace through a variety of activities, including more than 850 seminars and workshops for over 26,000 of our employees in Hong Kong and mainland China. A video and brochures with stories on ethical behaviour by employees were also produced. Other promotional initiatives included drawing, video and writing contests as well as an

overseas learning trip to promote the understanding and application of integrity at work.

Warmth and Care for Our Community

We are committed to caring for the community and bringing much needed services that help to improve health, social integration and personal wellbeing.

The involvement of our employees in the community can be traced back to as early as the 1970s. In 1999, the Towngas Volunteer Service Team was officially established and, since then, has accumulated over 960,000 hours of service to more than 6.9 million beneficiaries.

Service from the Heart

In 2019, the Towngas Volunteer Service Team reached an important milestone – its 20th anniversary of

service. Our volunteer services have continued to expand since the Team started, from serving the elderly to delivering festive foods, caring programmes for children and the disabled as well as organic farming, in a bid to deliver warmth and care to the community.

Our Chef Anchor programme was particularly helpful for those suffering from Mild Cognitive Impairment (MCI). Launched in 2017 with the Hong Kong Sheng Kung Hui Welfare Council, the innovative Chef Anchor programme was set up to alleviate the symptoms of MCI patients. It is the first procedural cooking training programme in Hong Kong to focus on MCI patients. To date, the programme has helped 200 elderly people to train their memory through its open-flame cooking classes, many of whom have shown encouraging results.

Supporting Those in Need

The Mad Dog Café charity programme is one of our signature charitable events to raise funds for installing electrical toilet washlets and bathroom ventilators in hostels for the elderly. In 2019, the event raised HK\$450,000, bringing total donations up to HK\$2.7 million since the launch of this charity programme in 2013.

The Towngas Gentle Breeze Movement is a programme established in 2013 to help schools in need in mainland China. To date, we have contributed more than RMB4 million in school supplies to remote areas in Jiangxi, Anhui, Jiangsu, Shandong, Guizhou, Shaanxi, Liaoning, Guangdong, Fujian, Hubei, Inner Mongolia and more.

In 2019, the programme was extended to Bazhong, Sichuan province and Qiqihar, Heilongjiang province. In this year's programme, we donated

school uniforms, teaching aids and other necessities to about 340 teachers and students. We also set up Towngas China Charity Libraries and refurbished their school facilities to improve the learning environment.

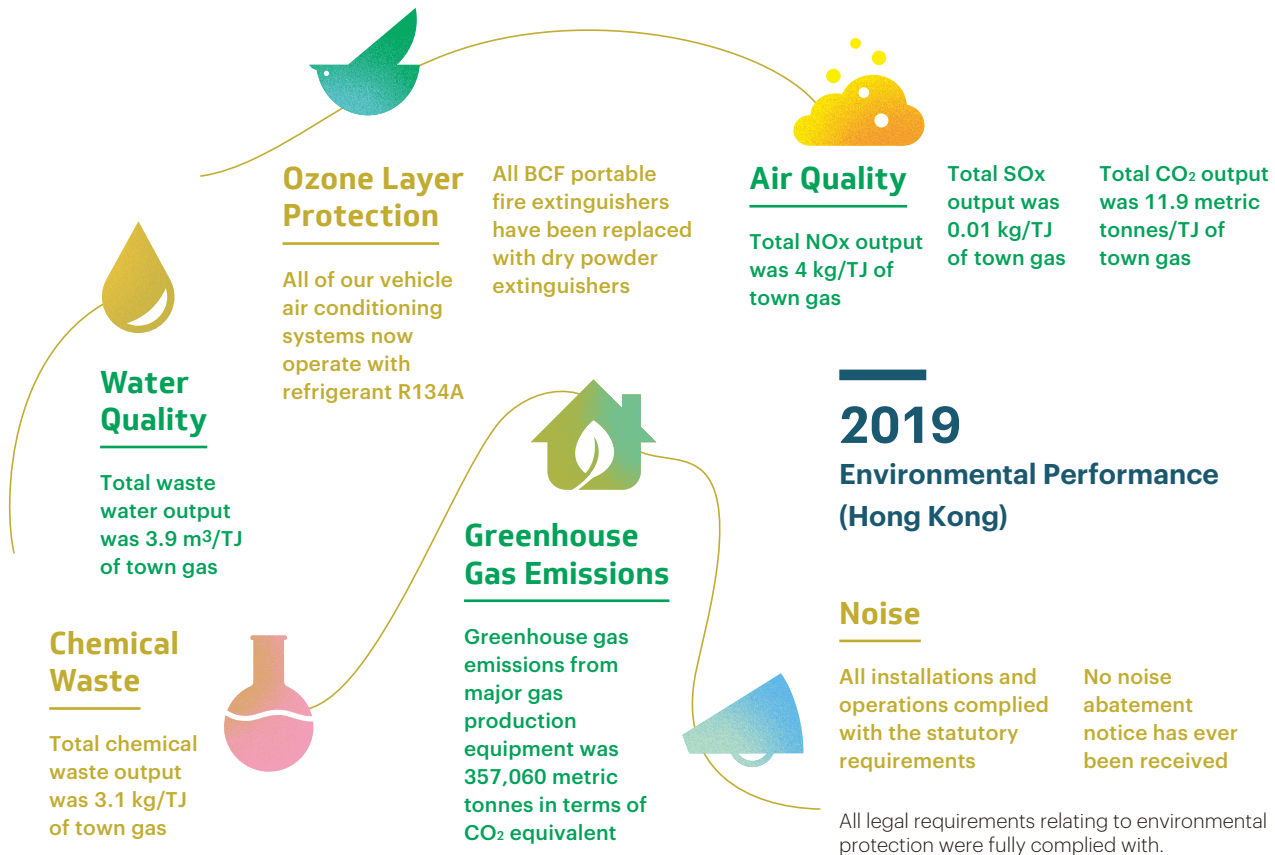
Building a Sustainable Workforce

We understand that our continuing success as a sustainable business depends heavily on the value we place on our people and the investments we make in their professional skills, health, safety and wellbeing.

In return, we have been recognised as a leading employer not only in Hong Kong and mainland China, but globally. This was affirmed by *Forbes* magazine, which gave Towngas a 199 ranking out of 2,000 top global employers on its World's Best Employers 2019 list, putting us in the top three of all Hong Kong companies. We were also the first runner-up in Hong Kong's Most Attractive Employer of the 2019 Randstad Employer Brand Awards. These recognitions highlighted our exceptional performance in promoting family-friendly employment policies and our focus on staff development.



Towngas Gentle Breeze Movement helps to improve learning environments through the donation of school supplies.



In common with other utility companies whose workers are ageing, we must also address the challenge of attracting new talent in order to build a sustainable workforce. Accordingly, we designated 2019 as the year for developing talent and recruiting young people.

Attracting New Talent

In the past two decades, Towngas has started a number of new businesses, so the need to attract new staff and replace existing staff who are retiring from our workforce has become paramount. Our recruitment efforts span different age groups and career categories. What’s more, many

of the positions we seek to fill, such as those in underground engineering, plant management and gas installations, are highly unique and technical.

We have been increasing our branding efforts to demonstrate that Towngas – even though we have a history of over 150 years – is a dynamic and innovative organisation in order to attract young talent who might harbour stereotypes about the Company.

To identify new talent, we have been expanding our sourcing channels, including earlier engagement with current university students and secondary school students. There is also

the challenge of convincing many secondary school graduates that technical jobs can be rewarding career choices. We have therefore stepped up our recruitment efforts through school talks and visits as well as job experience opportunities for students.

To familiarise potential recruits with our businesses, our Towngas Engineering Academy (TEA) launched the Career in a Nutshell programme for secondary school students, which offers them training and job shadowing opportunities. The programme has become widely accepted, with 90 students already registered for the 2019/2020 academic year.

Every year, we hire students as interns so they can learn more about our businesses and corporate culture. To provide work experience in mainland China, we joined the Scheme on Corporate Summer Internship on the Mainland and Overseas 2019, championed by the HKSAR Government, and Operation Zhang Qian by the Maritime Silk Road Society. In this eight-week internship programme, students were posted to the different locations where we operate, namely Shenzhen, Zhongshan, Suzhou, Jinan, Zhangjiagang and Ordos. We also recruited student interns from the 2018 Scheme after their graduation to support our businesses in Hong Kong and mainland China.

Enhancing Employee Competencies

In addition to recruiting new staff, it is equally important to retain and develop our existing younger colleagues. This means

understanding what motivates them and, in some cases, making their jobs more diversified and interesting. For example, we will involve younger staff in projects that are not necessarily related to their primary roles, or give them more leadership responsibilities as part of a clearly defined career path.

In order to develop future leaders, we continued the 18-month Towngas Leadership Competencies Acceleration Programme (TLC+), targeted at middle management staff. The focus of this programme is on business strategy and leadership. In 2019, a new batch of participants embarked on another round of this programme in their career development journey with us. A similar programme, the Young TLC+, was established in 2017 for younger staff across different businesses. It graduated its first cohort during the year.

To build a talent pipeline for our Network Operation teams, we launched our first Network Supervisor Trainee Programme in 2017. After two years of training in technical, communication and supervisory skills, the first batch of employees graduated in September 2019.

Our Career in a Nutshell programme introduces secondary school students to the gas industry with the aim of inspiring them to pursue a career with us.

Developing Gas Professionals

The TEA plays a significant role in gas education by providing engineering training for our employees and contractors in Hong Kong and mainland China, and also sharing professional knowledge with the industry and students.

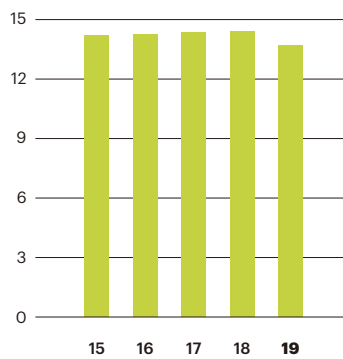
To attract young people to the gas industry, TEA participates in a wide range of career expos and other promotional activities. It is also one of the founding members of the Hong Kong Electrical and Mechanical Trade Promotion Working Group, as well as the new Corporate Tech Academy Network, which promotes Vocational and Professional Education and Training for the development of a skilled and professional workforce. The promotional activities we carry out are in addition to our apprenticeship programme, whose graduates are trained into well-qualified technicians who play an instrumental role in ensuring gas safety.

We also share gas engineering knowledge with our stakeholders in collaboration with different institutions and professional bodies. Towngas was the first and only gas company accredited by the Hong Kong Institution of Engineers and the Institution of Gas Engineers and Managers to provide gas engineers in mainland China with recognised Hong Kong-equivalent training



Town Gas Sales per Employee

Company (million MJ)



that satisfies the stringent requirements of the two professional organisations. This accreditation demonstrates the consistent quality and credibility of our operations across Hong Kong and mainland China. Moreover, we have partnered with the Hong Kong Vocational Training Council to offer a professional diploma in Gas Engineering, which graduated its first batch of students in July 2019.

Staff Health and Wellbeing

We endeavour to create a work environment that is fair, inclusive and fulfilling, and which allows our people to enjoy a rewarding career in balance with their personal lives.

In response to employee feedback, we made plans to introduce flexible hours for office staff in 2020, including flexible lunch-time arrangements, as part of our commitment to promote work-life balance. We also introduced Community Service

Leave so that employees who support our volunteer services can enjoy an extra day-off. Moreover, we enhanced our paid annual leave provisions and gas allowance scheme.

For longer-term retirement planning, we introduced an additional Mandatory Provident Fund (MPF) scheme by providing more fund choices for our current MPF scheme members.

Physical fitness under the theme “Fit for Life” was a primary focus of our staff activities in 2019. In order to promote a balanced and healthy lifestyle, we organised talks and workshops with doctors, physiotherapists and other medical practitioners on health awareness and stress management. On-site health checks and consultations were also held in our workplaces. To keep our staff healthy ahead of the flu season, we launched the Flu Prevention Campaign and offered staff members and their family subsidised flu shots.

Occupational Health and Safety

Once again, one of the highlights of the year was our annual HSE Walk. Held in June in Hong Kong with our joint venture partners in mainland China, it is organised for raising awareness of the importance of workplace safety and health. This year, more than 14,000 staff and family members joined the campaign.

During the year, we organised the Contractor Occupational Safety

and Health (OSH) Programme, which includes the Contractor Site Safety Award to recognise contractors with good safety performance and safe site conditions. Along with this event, we held the Contractor OSH Forum in which professionals from the Electrical and Mechanical Services Department, Hong Kong Physiotherapist’s Union and Occupational Safety and Health Council delivered talks on gas safety, prevention of work-related musculoskeletal disorders as well as working safely above ground. Over 200 contractors participated in the forum.

In our Quarterly OSH Programme, we highlighted topics such as ergonomics, preparedness for adverse weather and infectious disease. While the Joint Utilities Safety and Occupational Health Policy Group was under the chairmanship of Towngas in 2018/2019, we communicated OSH issues to the government, Occupational Safety and Health Council and other utility companies. We also hosted a forum on the future of OSH for the industry, during which participants exchanged their experiences on improving OSH performance.

In 2019, Towngas became one of the first city-gas companies to achieve ISO 45001: 2018 certification in its overall operations and was also recertified for the International Safe Workplace Programme.

Supplier Relationships

In 2019, we assessed our strategic suppliers against our requirements on corporate social responsibility (CSR) and conducted follow-up site visits with key suppliers in order to identify opportunities for improving their performance. In Hong Kong, we invited 33 long-term partners to complete our CSR assessment so that we could ascertain whether their commitment to CSR was still on track.

From August to December 2019, over 350 suppliers were invited to join our face-to-face communication sharing sessions in Hong Kong on integrating corporate ethics into their daily operations. These suppliers were also invited to use the new e-Tendering System, which not only helps to reduce the use of paper but is also an effective monitoring tool for the tendering process.

During the year, Towngas became the first utility in Hong Kong to be verified by BSI, an international business improvement and standards company, which determined we were in compliance with ISO 20400 Sustainable Procurement guidance standards. We also continued to work closely with our suppliers who are part of our green supply chain to help them comply with our procurement policy.

Creating Long-term Value for our Stakeholders

At Towngas, we are focused on creating long-term value for all our stakeholders, including our investors, associates, suppliers, the people we employ and the communities we serve. This is critical to our success as a company and fundamental to the way we do business.

We pay particular attention to the issues raised by our stakeholders in our ongoing engagement with them. Their views help us in shaping our policies and practices with regard to sustainability and provide us with insights on how we can improve our environmental, social and governance performance. In doing so, we are continually raising our standards of social and ethical behaviour and encourage our staff, suppliers, contractors and peers in the industry to do the same.

In future, we will continue to aspire towards fulfilling our vision of being “Asia’s leading clean energy supplier and quality service provider, with a focus on innovation and environmental-friendliness.”

