

2023 ESG Highlights

ESG Ratings

MSCI ESG
Ratings 2023

A

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

Dow Jones Sustainability Asia/
Pacific Index 2023

S&P Global ESG Score

65

Member of
Dow Jones
Sustainability Indices

Powered by the S&P Global CSA

Sustainalytics
ESG Risk Ratings 2023



CDP 2023
Climate Change
Score

A-

Hang Seng Corporate
Sustainability Index
2023-2024



Hang Seng Corporate
Sustainability Index
Series Member 2023-2024

AA+



ESG Partnerships



METHANE
GUIDING
PRINCIPLES



Business Opportunities from Energy Transition

H₂

Hydrogen in Hong Kong

- Signed a Memorandum of Understanding with Bravo Transport Services Limited to explore the use of hydrogen for public buses
- Hong Kong's first hydrogen fuel cell charging facility for electric vehicles at a padel court in Sai Kung



Renewable Energy Projects

- **354** renewable energy projects
- **1.8 GW** grid-connected photovoltaic capacity



Organic Waste Resource Utilisation

- Organic waste utilisation project in Suzhou Industrial Park converts organic waste into bio-natural gas
- Cumulatively processed approximately **1.46 million tonnes** of organic waste by end of 2023

Sustainable Aviation Fuel (SAF)

One of the world's largest SAF producers: over **100,000 tonnes** produced in 2023



Inter-plant Heat Transfer Project

Debuted Hong Kong's first project to transfer waste heat from the Tai Po Gas Production Plant to a neighbouring food factory for dehumidification purpose



TERA-Award Smart Energy Innovation Competition

Received record-breaking **450 submissions** from **59 countries and regions** in its 3rd edition



Green and Sustainable Finance

- Over **HK\$5 billion** total in green and sustainable finance for the Group
- First Hong Kong-funded enterprise to issue a sustainability-linked Panda Bond on the Chinese mainland

Green Methanol

Produced green methanol by replacing fossil fuel with end-of-life tyres



ESG Management

ESG Strategy



ESG Governance

Established the Board ESG Committee, with the ESG Steering Committee overseeing the management of all ESG-related matters

ESG Advocacy

- Launched the radio programme *ESG 101* in collaboration with Commercial Radio Hong Kong
- Hosted the Towngas Green Flame Future Lab with B.Duck, attracting over **10,000 visits**
- Inaugurated the Towngas Green Flame Energy Scientist Programme, with **22 primary schools** enrolling



Environmental

Carbon Neutrality Commitment

Towngas is committed to achieving carbon neutrality by 2050 through energy transition and innovation

- Reduce group operational GHG emissions by **10%** (2020 baseline) by 2025
- Reduce **10 million tonnes** of GHG emissions in environment annually by 2025 through coal-to-gas, solar photovoltaic power generation, and energy efficiency improvement projects, among others
- Replace fossil fuels by introducing and using zero-carbon fuels in phases, with a target to reduce the total carbon intensity of town gas use by **36%** (2019 baseline) by 2035



Sustainable Investment

Incorporated ESG Due Diligence and Internal Carbon Pricing in investment decision-making processes to seize low-carbon opportunities and investments

Carbon Reduction Initiatives

Utilised self-developed platforms on the Chinese mainland

- Towngas Operation Platform for comprehensive monitoring of methane leakage
- Towngas Tan Hui Platform to foster low-carbon habits among **22,000 employees** and the general public



Town Gas Production

- Reduced carbon intensity from gas production by **28%** (2005 baseline), reaching **0.549kg CO₂e/unit** of town gas
- Landfill gas comprises around **2%** of town gas fuel mix

Social

Community

- **HK\$24 million** Towngas Concession Scheme benefitted over **42,000** households
- Volunteer service hours: **14,487** (Hong Kong) **>440,000** (Mainland Utility Business)
- Rice Dumplings for the Community programme set a Guinness World Record™



Health and Safety

- **1,190,700** regular safety inspections for customers (Hong Kong)
- Group lost-time injury frequency rate: employees: **0.43** contractors: **0.32** accident per 1,000,000 work-hours
- Public-reported gas leakage incidents per 10 km of network decreased **15%** compared with 2022 (Hong Kong)
- Developed smart appliances, controllers and meters with IoT technology to enhance home safety



Employee

- Gender pay ratio (basic salary): **1:1** (Hong Kong)
- Average training hours per employee: **92.3** (Group)
- Over **400 visits** joined Towngas Diversity & Inclusion Day

Resilient Supply Chain

- Approximately **90%** of suppliers¹ in our Hong Kong operation have adopted S-Carbon platform to quantify GHG emissions
- Assessed and identified climate-related transition risks of our suppliers in the Mainland Utility Business



¹ Based on the total purchase value of products and materials (Hong Kong operations)

Governance

ESG-linked Compensation

5% of the variable compensation of the Managing Director and senior executives are linked to the achievement of ESG objectives



Business Integrity

Provided anti-corruption training to the Board



Privacy Protection

Upgraded the Privacy Management Programme online platform to enhance privacy management