



煤氣
Towngas



ESG

Environmental

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Bulletin



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Managing Director on Environmental, Social and Governance

Environment, social and governance (ESG) topics have been ubiquitous in the media. For years, Towngas has been investing a great deal of effort in ESG and has received numerous awards in relevant areas such as environmental protection, human resources management, community initiatives and corporate governance, underscoring the approval it enjoys among the public.

But what does the relatively new term of ESG actually mean? What does it have to do with Towngas? The Corporate Sustainability Department had the honour of interviewing Mr Alfred Chan, Managing Director, for the first Issue of the ESG Bulletin to solicit his views.

Reasons to focus on ESG

“In the current era, ESG issues cannot be disregarded,” Mr Chan stressed. The climate is changing and so is society. Both the government and enterprises are responsible for doing their part in leading the pursuit for a resilient and sustainable future.



In terms of the environment, Hong Kong experienced the hottest summer in recorded history in 2020. In the past few years, the city battled numerous super typhoons. In addition to endangering public safety, the extreme weather also burdens society with serious economic loss and the large sums needed for post-disaster reconstruction. Carbon emissions is one of the important factors causing climate change. China as well as other countries have successively established decarbonisation goals and plans, such as the “coal-to-gas” initiatives and energy conservation and emission reduction policies implemented in the mainland in the past years. As an energy company, in addition to providing a clean, safe, reliable and competitive supply of energy, Towngas has also taken the initiative to reduce carbon emissions from its production and operations in support of China’s policies, contributing towards environmental protection together with the public.

As for the social aspect, Towngas has always shouldered its responsibility towards the community by maintaining close engagement with its various stakeholders and hosting activities in aid of the disadvantaged and those in need.

With COVID-19’s worldwide ravages came significant economic impact as well as increased attention to the needs of various societal groups alongside employee health and safety, customer needs, community support and the long-term development of the economy and society. Meanwhile, Towngas has remained steadfast to its enthusiastic support to the public, launching multiple measures to help the devastated food and beverage industry, such as the complimentary application of nano photocatalytic long-acting disinfectant for eateries in order to enhance the public’s confidence in dining out. Thereafter, the Company launched the “Supporting F&B and the Economy” campaign, offering food and beverage vouchers to encourage consumption and provide simultaneous support to the local catering industry and the public with a view to tackling the challenges presented by the epidemic with the rest of society. Towngas also launched a kitchen equipment rental and purchase scheme for eligible small- and medium-sized eateries in order to lower the cost for food and beverage start-ups and alleviate their cash flow difficulties.

In response to the rise in Hong Kong’s unemployment rate, Towngas introduced a recruitment scheme tailored for the unemployed between June and December 2020, prioritising such candidates for designated positions in order to alleviate their economic pressure during the epidemic. Around 60 people from different age groups and background were hired for eight-week contract roles such as gas riser pipe inspectors and promoters for the Towngas Fun platform.

Underprivileged families also suffered as a result of COVID-19, with reduced income leading to the cutting of food expenses, which could affect the nutritional intake of their children and adolescents. In view of this, Towngas joined Christian Family Service Centre to launch the “Love on Delivery” programme to provide fresh food packs twice a week to such

families to directly reduce their food expenses. A total of 30,000 food packs were distributed to help 1,000 families.

Finally, the aspect of good governance is considered by Towngas as the bedrock for sustainable development. As Towngas has always placed an emphasis on ESG, which it has implemented across all levels of the Company and incorporated into its corporate culture as an important component, the Company established an ESG committee, which holds regular meetings to ensure that the relevant projects were in line with the Company’s ESG direction and target from planning through to implementation. Colleagues are also encouraged to propose related suggestions across a wide array of areas in order to apply their strengths and enhance Towngas’ ESG performance through collaboration in order to realise long-term sustainable development.

ESG and innovation

Towngas encourages innovation, taking the initiative to advocate the principle of “Growth = innovation x implementation” ($G = i \times i$). Mr Chan remarked, “I strongly believe that in order to progress, enterprises must continuously innovate. Without innovation, there can be no transformation.” In recent years, the Company has driven numerous new projects through applying innovative ideas, which have brought about not only opportunities for business development but also positive impact on society and the environment by closely entwining business, innovation and ESG. For instance, the Group transformed low-value inedible grease into an advanced clean biofuel called hydro-treated vegetable oil, which emits nearly 90 per cent less greenhouse gases than traditional diesel. This has on one hand presented new growth for the Group, and on the other hand benefited the environment, in a typical example of implementing waste-to-energy measures and driving environmental protection in tandem.

Mr Chan added, “ESG is a topic that will continue to evolve. We need to persist in monitoring the needs of the environment and society and set a vision for the long term and from the heart to deliver quality performance and create new opportunities for the business.” Mr Chan thinks that advocating ESG brings about positive effects on the environment, society, business partners and investors for a four-way win.

Thoughts on Towngas’ “Exemplar” ranking

“It is an honour that Towngas has received multiple ESG awards from third parties,” commented Mr Chan, on the Company’s topping the fifth Hong Kong Business Sustainability Index and the new Greater Bay Area Business Sustainability Index announced by The Chinese University of Hong Kong in 2020 as well as being ranked as an Exemplar, “Such awards are the results of the collective efforts of colleagues from different departments. They serve as affirmation, encouragement and a driving force for us to apply our best efforts in forging ahead.”