

2014

Sustainability Summary Report



煤氣
Towngas

Greening up your life

VISION



To be Asia's leading energy supplier and service provider, with an environmentally-friendly focus.

MISSION



To provide our customers with a safe, reliable supply of energy and the caring, competent and efficient service they expect, while working to preserve, protect and improve our environment.

IN ACHIEVING SUSTAINABILITY, WE...

- Maintain the highest standards of corporate governance.
- Follow strict internal Codes of Conduct on best practices and ethical behaviour.
- Ensure open, accountable and transparent communications.
- Guarantee efficient, effective and reliable business practices and operational controls.
- Act in the best interests of our stakeholders.
- Fulfil our corporate social responsibilities to our stakeholders, the environment and our community.
- Take the lead in our industry on all of these imperatives.
- Recognise the importance of our employees and our responsibility to keep them safe, engaged and equipped to undertake our mission.

MAJOR CORPORATE AWARDS AND RECOGNITIONS IN 2014

Company of the Year Award (Towngas China) by the Institution of Gas Engineers & Managers (IGEM) of the United Kingdom and the Energy and Utilities Alliance (EUA)

Global Chinese Business 1000 by Yazhou Zhoukan

Constituent Company of the Hang Seng Corporate Sustainability Index Series by Hang Seng Indexes Company Limited

Highest Service Hour Award - Champion (Private Organisations - Best Customer Participation) by the Social Welfare Department

2014 Outstanding Listed Company by the HK Institute of Financial Analysts and Professional Commentators

13th Hong Kong Occupational Safety and Health Award - Safety Culture Award (Gold) by the Hong Kong Occupational Safety and Health Council

Environmental, Health and Safety Award (Corporate) - Platinum by the Green Council

HEALTH SAFETY AND ENVIRONMENT (HSE) POLICY

Ensure health and safety at work, minimising HSE risks and climate change impact

Achieve a zero accident standard as well as a high standard of environmental care through continuous improvement

Eliminate HSE hazards in our operations, applications and services

Carry out necessary HSE assessments for all major projects and conduct regular HSE audits in our operations

Promote HSE awareness and conscientiousness among employees, contractors and business associates through education and training

Achieve full compliance with all relevant legislation

Use environmentally-friendly materials and technologies, promote economic recycling of materials and conserve resources

1

ENVIRONMENTAL
PERFORMANCE

As a leading utility provider, we have fully integrated environmental considerations into our business model. With regard to the nature of our operations, combating climate change, reducing environmental impact and protecting local areas are our main priorities. With the ultimate aim of reducing our environmental footprint, we also reach out to stakeholders in order to bring about far-reaching change, as we transit towards a cleaner energy business.



CLEAN ENERGY

Natural Gas

A cleaner fuel than many alternatives, natural gas currently comprises the majority of our primary feedstock. Once modifications to our Ma Tau Kok plant in Hong Kong are complete, natural gas will completely replace naphtha as a feedstock at that plant. In the mainland, we introduced eight new ventures in 2014 to replace more polluting fuels like oil and coal, contributing to the decoupling of China's economic development from environmental degradation.

Turning Waste into Energy

Landfill Gas

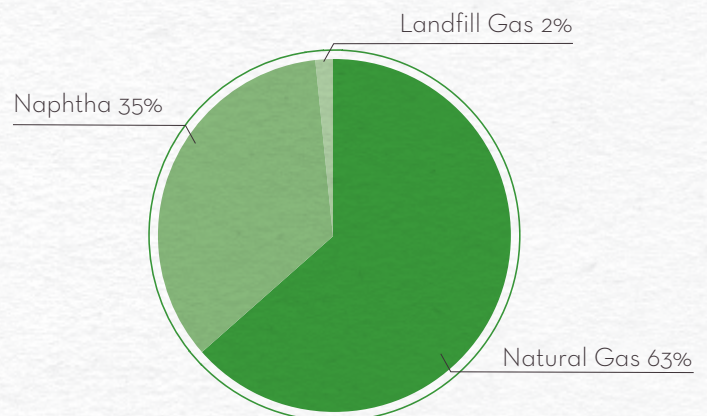
We are the first organisation in Hong Kong to use landfill gas commercially, which we harness from the Shuen Wan and North East New Territories landfill sites. Preparations are under way to extend our facilities to the Tseung Kwan O South East New Territories landfill, which will form one of the territory's largest environmental projects.

Coke Oven Gas

In the mainland, our wholly-owned subsidiary ECO Environmental Investments Limited (ECO) is investing in projects utilising coke oven gas for the production of liquefied natural gas (LNG). Agreements have been reached with two plants in Jiangsu and Shandong respectively to produce LNG using their coke oven gas emissions.

Agricultural Waste

Also in the mainland, ECO is developing new technologies to convert agricultural and forestry waste into natural gas. Construction of a plant for this purpose is expected to commence in the second half of 2015.

Fuel Mix for Town Gas Production
in Hong Kong

Alternative Energy Sources

Coalbed Methane

Our liquefied coalbed methane plant in Shangxi extracts coalbed methane that would otherwise escape into the atmosphere as a by-product of coal mining. It recorded a significant increase in production in 2014 and is currently the largest of its kind in the mainland.

Clean Coal Energy

ECO's methanol plant in the Inner Mongolia Autonomous Region uses coal gasification techniques to synthesise methanol. In 2014, a new processing unit was developed and commissioned to further upgrade methanol into natural gasoline.

Clean Vehicular Fuel

As part of our efforts to improve local air quality, we operate five Liquefied Petroleum Gas (LPG) filling stations in Hong Kong. Similarly, LNG filling stations are being established on the mainland, where they will serve heavy-duty trucks and vessels in Shandong.



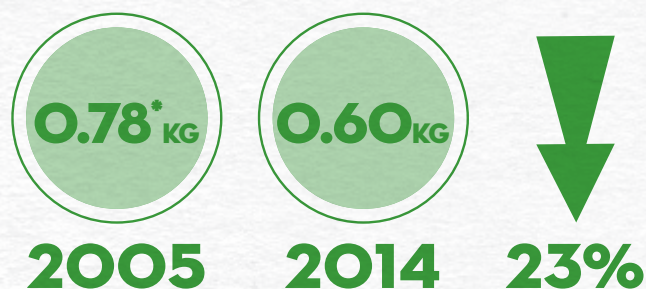
REDUCING OUR ENVIRONMENTAL FOOTPRINT

As a Carbon Audit Green Partner of the Hong Kong Government, we have completed carbon audits for our Hong Kong operations, verifying our results against ISO 14064-1 specifications. Key indicators, including direct and indirect greenhouse gas emissions as well as carbon intensity, are reviewed annually.

Carbon Intensity (Hong Kong)

The lowest level of CO₂ emissions in over 10 years was recorded in 2014.

CO₂ emission per unit of town gas

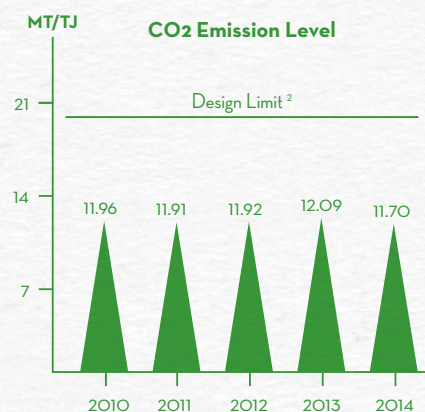
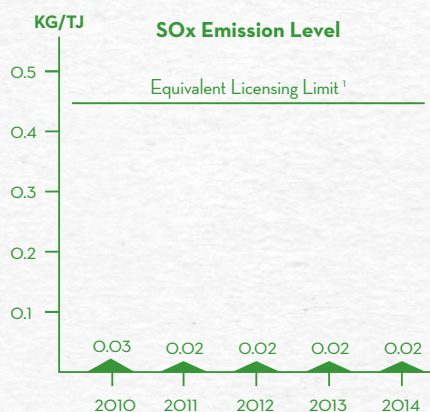
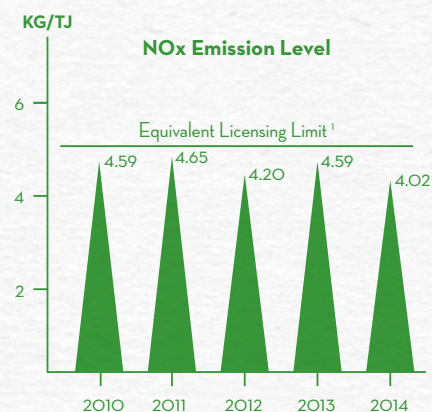
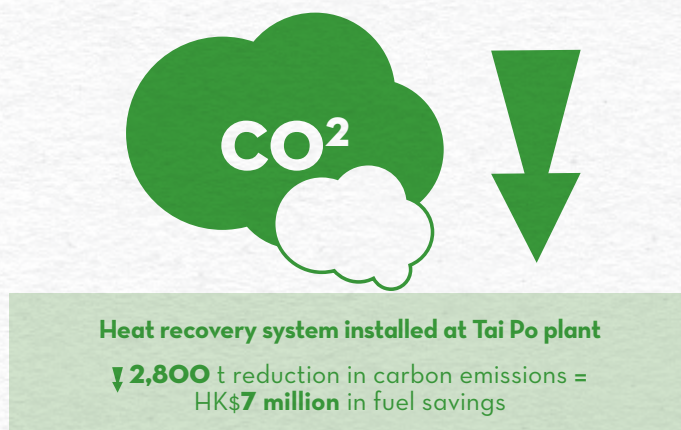


* Figures for 2005 were revised, with power company-specific emission factors adopted into the calculation.

Sustainable Operations in Hong Kong in 2014

We always look for opportunities to enhance our environmental performance. In Hong Kong, our operations mainly consist of gas production and general office work, both of which present their own environmental issues.

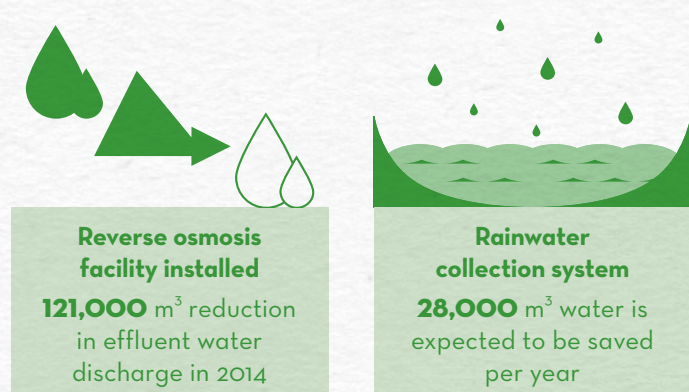
Reducing Carbon Emissions



1. Equivalent Licensing Limit (kg/TJ) = Weighted average of actual licensing limit (kg/hr or m³/hr) ÷ production rate at our plants for 2014 (TJ/hr).

2. As there is no Licensing Limit for the emission levels of the substance, we applied the design limit of our production plants as a reference point for emission levels.

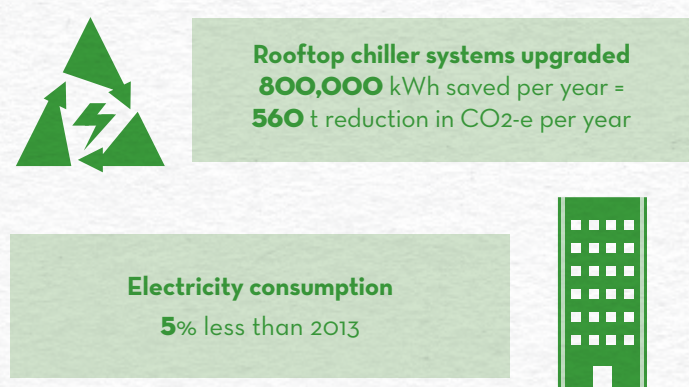
Water Conservation at the Tai Po Gas Production Plant



Waste and Effluent



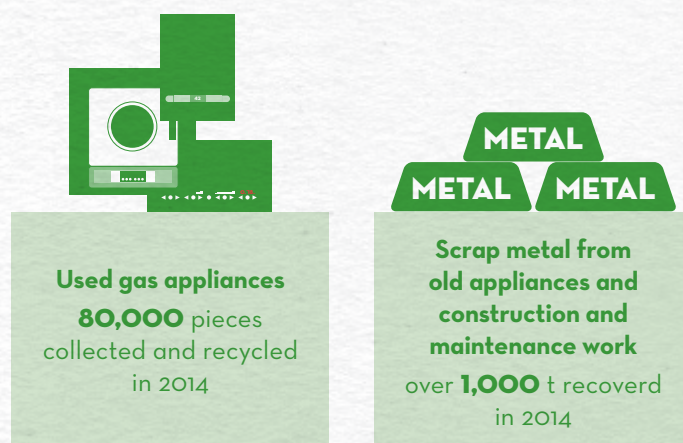
Green Office Operations at Towngas Headquarters



Towngas Telecom (TGT) Data Centre

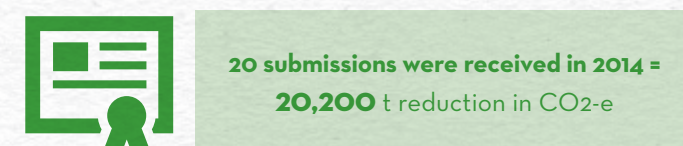
The new TGT Hong Kong Data Centre 2, which came into operation in the second quarter of 2014, was granted Leadership in Energy and Environmental Design (LEED) Gold certification for environmental features that included solar panels as an energy source, an oil-free chiller for energy savings and noise reduction, a green wall and green roof to reduce heat absorption and a rainwater harvesting system.

Used Appliance Recycling Programme



Environmental Initiatives in the Mainland

As part of our efforts to reduce our carbon footprint in mainland China, we introduced a carbon reduction competition among our joint ventures beginning in 2010.



GREEN PARTNERSHIP 2014

In 2014, we continued to support a wide range of environmental initiatives organised by green groups in Hong Kong.

Clean Air Network's The Airmazing Race	Conservancy Association's Green Leaders Bloc	Green Sense's No Air-Con Night	Greeners Action's Lai See Packet Reuse and Recycle Programme
Green Council's Hong Kong Green Day	WWF's Earth Hour	Tree Planting Challenge 83,000 trees planted in Hong Kong since 2005	Zero Food Waste @ Campus 2014 10,000 students from 10 primary schools learned about food waste reduction

2 SAFETY PERFORMANCE

We embrace our responsibility to ensure the highest levels of safety for our stakeholders, and encourage the development of technical knowledge and innovative ideas to ensure that Towngas remains a safe and reliable source of energy. We have developed mid- and long-term goals to improve safety levels, while various programmes and initiatives are in place to engage stakeholders and enhance safety performance in a broader context.



INFRASTRUCTURE RELIABILITY

We supply town gas to over **1.8 million customers** in Hong Kong through a **pipeline network that stretches over 3,500 km**, supported by our Grid Control Centre **monitoring the network 24 hours a day**.

Safety is of paramount importance in everything we do. We are therefore constantly enhancing our safety management processes and procedures to provide an ever-safer and more reliable gas supply for our customers.

Area	Achievement
Gas Supply Reliability	99.992%
Emergencies Attended to within 30 Minutes	95.69%
Publically-Reported Gas Seepage Incidents per 10 km of Gas Pipes	0.226

In 2014, there was a slight bounce-back in the rate of publically-reported and third-party damage incidents due to increased levels of construction activity in Hong Kong. However, a downward trend has been observed over the past years and these incidents are at a relatively low level compared to other advanced countries.



168,500 inspections completed at 16,390 sites
Over **6,800 km** of pipelines surveyed

CUSTOMER SAFETY

Home Appliances

We offer a diverse range of safe, convenient and energy-efficient home appliances, as well as professional installation, warranties, after-sales service and free regular inspections. In addition to meeting all established safety standards, our appliance brands - TGC and SIMPA in Hong Kong and Bauhinia on the mainland - also incorporate modern safety features such as flame failure devices.

Regular Safety Inspection Programme

We conduct regular safety inspections on gas appliances in domestic premises every 18 months. Following the implementation of this programme, urgent reports from the public regarding gas-related incidents have remained at a consistently low level.



Domestic gas facility maintenance
Around **1,247,000** inspections in 2014

OCCUPATIONAL HEALTH AND SAFETY

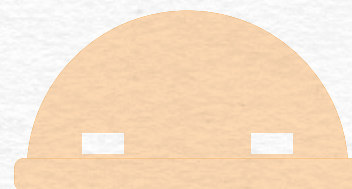
One of our highest priorities is reducing health and safety risks in workplaces that are directly or indirectly under our control, thus providing a safe working environment for our staff and contractors. We have established and are continuing to implement a safety management system in accordance with the OHSAS 18001.

	2014	2013	2012	2011	2010
Number of accidents - all industrial injuries	14	15	10	10	16
Accident frequency rate	0.22	0.24	0.19	0.19	0.31



Staff safety training
26,111 hours in 2014 = **9%**
 more than 2013

HSE Activities in 2014



**Towngas Senior
Management HSE
Inspection Programme**

**2014 HSE
Climate Index Survey**

**Contractor HSE
Programme 2014**

**Progressive Safety
Enhancement for
Working at Height**

International Safe Workplace (ISWP)

We are the first utility company in Hong Kong to receive this designation under the framework of the World Health Organisation's Safety Community. It involves adhering to seven indicators:



1. Safe Workplace Infrastructure
2. Safe Workplace Policies
3. Programme Implementation and Promotion
4. Target High-risk Groups and Environments
5. Accident/Incident Record and Analysis
6. Evaluation of Effectiveness of Policies, Programmes, and Processes
7. Experience Sharing and Benchmarking



3 SOCIAL PERFORMANCE

Striving for long-term sustainability, we focus our business development both on people and for people. In this regard, we uphold strong corporate citizenship by safeguarding the wellbeing and development of staff, reaching out to the needy with a helping hand, and contributing through various channels to the overall sustainable development of society.



OUR PEOPLE

To attract and retain talented professionals, Towngas has established comprehensive recruitment policies and processes. For existing staff, a variety of training and development programmes is available and people mobility is highly encouraged, for the purpose of individual development, transfer of know-how, sharing of best practices and reinforcement of corporate culture.

Training and Education

Towngas Leadership Competency Acceleration Development Programme (TLC+)

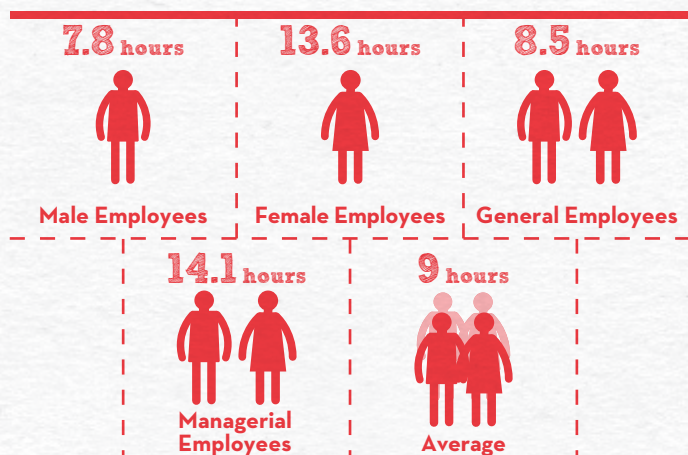
Designed to build a strong internal pool of talent to support the Group's mid- to long-term growth, TLC+ consists of an 18-month fast-track development programme for 18 selected middle management staff from different departments.

Towngas Engineering Academy (TEA)

In 2014, TEA's engineering training system was expanded to meet the needs of our operations in Hong Kong and mainland China, as well as international accreditation requirements. In Suzhou, a new training facility was established in 2014.

Continuing Professional Development Seminars in Hong Kong	2,208.5 man-hours
Gas Fitter Apprentice Training Scheme, Network Trainee Fitter Scheme, Registered Gas Installer Training for contractors, Technical Skills and Refresher Training Programmes	47,040 man-hours
Technical Training in mainland China	121,440 man-hours

2014 Average Training Hours (HSE training hours excluded)



Work-Life Balance

"Fun Living Every Day" Campaign

Aiming to promote good health and a balance between work and family life, this campaign focused on the wellbeing of staff in these four main aspects:

Work - We treated staff to snacks and fruit on two Mondays during the year	Mind - We invited experts and role models to share with staff their positive attitudes to life through seminars
Health - We arranged a workshop on organic farming and offered exercise opportunities such as Yoga@Work and an indoor rowing competition	Family - To celebrate Christmas, we invited employees to bring their family members to our Towngas Family Day at our North Point headquarters

CUSTOMER SERVICE

From our mission to provide Caring, Competent and Efficient service, we derived a standardised ACE Model for providing customer service. It emphasises the importance of customer service delivery and the value of projecting a positive attitude and making a good first impression.

Recognition

Our commitment to service excellence is often recognised through customer compliments and industry awards. Our all-around after-sales service was once again recognised with an Excellent After-sales Services Award in the Excellent Services Brand Award organised by Sing Tao Daily.



**Complimentary letters
from customers**

5,894 letters received in 2014

Customers' Legal Rights and Data Privacy

Towngas has established comprehensive policies to ensure the conscientious handling of customer-related data and to safeguard confidential or proprietary information. All departments and relevant subsidiaries are required to make declarations to the Group on an annual basis. During 2014, there were no substantiated complaints regarding breaches of customer privacy or losses of customer data.

COMMUNITY SERVICES

Consisting of about 50 managers from different departments, our Towngas District Council Focus Teams have direct connections with the district councillors and representatives of Hong Kong's 18 districts. They garner useful insights into the latest community issues and enable us to allocate resources where they are most useful.



**Voluntary activities in which
Towngas volunteers participated**

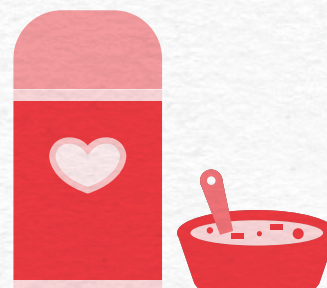
11.3% more than 2013

**Towngas Customer Volunteer
Team members**

6% more than 2013



Donating to Those in Need



**Warmth and Care Fresh
Food Aid Programme**

150 disadvantaged
families received fresh
food twice every week

**Heart Warming
Suspended Meals Scheme**

10,000 suspended meals
donated in 2014

**Meals to low income
families in Wong Tai Sin**

100 meal boxes donated
every day

**Donations to Community
Chest of Hong Kong**

HK\$1.3 million donated in
2014

Tariff Concession Schemes

Four concession schemes are in place to assist the following groups: the elderly, people with disabilities, low income families and single-parent families.



**Disadvantaged households under
concession schemes**

Around **47,100** in 2014

Hong Kong



We have run several large-scale social initiatives since the early 2000s as an expression of care for elderly people who live alone and for others in need. Through these initiatives, we mobilise legislative councillors, district council members, local organisations and students to create volunteering synergy across Hong Kong.



Rice Dumplings for the Community Scheme
250,000 rice dumplings distributed in 2014 =
8.7% more than 2013
2 million rice dumplings distributed since 2000



Mooncakes for the Community
260,000 mooncakes distributed in 2014 =
4% more than 2013
1.6 million mooncakes distributed since 2001

Mainland China

Gentle Breeze Movement

Taking place in various provinces across the mainland, the movement involved community projects that included renovating teaching blocks in schools, building e-classrooms and donating resources such as teaching equipment, stationery and sporting goods to improve students' learning resources and conditions.



Donations for education initiatives
RMB 700,000 in 2014

Companionship for Resident Children Programme

Towngas China launched this programme in 2014 in support of Loving Home – Home of Happiness and Peace, and was the first company to provide volunteers. Two groups visited two villages in Chongqing in February and October respectively. Besides offering homework tutorials and instruction in subjects including music, art and physical education, our volunteers also provided the students with daily assistance and counselling.



REVIEW OF 2014 TARGETS

	Targets	Progress	Achieved / In Progress
The Environment			
Green Certification	To achieve a Wastewise label for 13 consecutive cycles.	Wastewise Excellence Class label was received.	Achieved
Energy Efficiency & Conservation	To save material and reduce electricity consumption by minimising the number of Data Transit Stations (DTSs) installed in Automatic Meter Reading (AMR) projects.	The new configuration was installed in buildings.	Achieved
	To acquire energy labels for all models of domestic gas cooking appliances covered by the Voluntary Energy Efficiency Labelling Scheme.	The energy labels for the eligible models were acquired.	Achieved
	To complete the upgrade of the Central Chiller Plant Phase 2 to further reduce electricity consumption at our headquarters.	The upgrade was completed.	Achieved
	To explore the feasibility of utilising landfill gas from the SENT landfill.	A contract was signed with a contractor to construct landfill gas treatment facilities at the SENT landfill.	Achieved
Water Recycle & Reuse	To install and commission a rainwater harvesting system at a naphtha tank farm.	The rainwater harvesting system was installed.	Achieved
Gas Production Plant Modification	To commission the natural gas system at Ma Tau Kok gas production plant to enable making town gas from natural gas as feedstock and fuel.	Commissioning work was started in Q1 2015.	In Progress
Customer Promotion	To promote green gas cooking tips to customers via leaflets and bill inserts.	Green gas cooking tips were promoted to customers via various channels, e.g. leaflets, bill inserts and website.	Achieved
Carbon Management	To complete the study of carbon footprints for various pipelaying methods.	This study was completed and offered a quantified greenhouse gases (GHGs) and pollutants emission analysis for different popular pipe laying methods.	Achieved
	To disclose information on our carbon footprint and share successful stories relating to carbon management and practices.	Information is disclosed on the website of "Carbon Footprint Repository for Listed Companies in Hong Kong".	Achieved
	To organise the 5th mainland carbon reduction project competition.	20 submissions were received from our operational units in the mainland.	Achieved

	Targets	Progress	Achieved / In Progress
Safety			
Safety Training and Promotion	To organise the HSE Quiz and hold the HSE Month and Contractor Programme to promote safety awareness and foster safety culture among our colleagues and contractors.	The HSE Quiz and HSE Month were held in November 2014. Activities included a series of sharing sessions and seminars on occupational safety and health and fire safety. The Contractor HSE Programme was organised to enhance two-way communication between Towngas and its contractors.	Achieved
	To revamp the HSE Resource Centre for workers to experience acceptable hazards.	The HSE Resource Centre was enhanced to incorporate interactive elements into HSE Training, including working at height, fire safety and others.	Achieved
	To further promote safety awareness and safety culture in ECO mainland JVs through education, training and experience-sharing visits.	Two Hong Kong experience-sharing visits were organised to promote safety awareness, with 46 employees from mainland JVs taking part in the visits. These visits and training courses will continue over the coming years.	Achieved
	To achieve the certification of all managerial staff in our mainland JVs' Risk Management Departments as Certified Safety Engineers.	Managerial staff in the Risk Management Department of newly-formed mainland JVs will become certified safety engineers in 2-3 years.	In Progress
	To conduct a survey to gauge the "safety culture" among employees and identify improvement opportunities in our corporate safety performance.	A Safety Culture Index Survey was successfully completed with more than 1,500 colleagues participating. Data analysis will be conducted in 2015 to formulate an improvement programme.	In Progress
Safety Audit	To conduct the second safety audit, with scoring, for ECO mainland gas filling stations.	A total of seven mainland ECO gas filling stations completed their second safety audit.	Achieved
	To implement a safety audit scoring system for our ECO mainland chemical business.	The first safety audit with scoring for two chemical plants at our ECO mainland chemical business was successfully conducted.	Achieved
Safety Procedure / Guideline	To publish a pocket-sized safety Golden Rules Handbook for our ECO mainland chemical business	A total of 367 copies of the Safety Golden Rules handbook were distributed to employees at our ECO methanol plant.	Achieved
	To conduct comprehensive production safety re-inspections on our gas facilities, installations and networks around mainland China.	Comprehensive production safety re-inspections were conducted on our gas facilities, installations and networks around mainland China. During the year, we also held our first Pipeline Network Operation Competition amongst our mainland companies.	Achieved

	Targets	Progress	Achieved / In Progress
Employees			
Talent Development	To strengthen leadership and management development by formalising Towngas' own leadership programmes for different management levels, and launching the 3rd Corporate Leadership Development (TLC) programme for talent development.	The core curriculum for developing Towngas leaders at different management levels was established. The 3rd TLC+ programme was launched in July 2014 with 18 selected middle level employees from different business units enrolling. The programme will last 18 months and will be completed by the end of 2015.	In Progress
	To support new businesses in launching high potential employees' programmes to strengthen the Towngas leadership competencies of their young leaders.	Our Mainland Utilities business arm has kicked off a number of talent development programmes to meet the needs of various sub-regions and business segments, with the purpose of building up a healthy talent pipeline to support the continuous expansion of the mainland business.	In Progress
	To continuously enhance all aspects of our corporate leadership and management development curriculum to support both business growth and employee development. Conduct Train-The-Trainer programmes to transfer skills to local JVs on various corporate programmes.	A structured corporate-level Learning & Development Curriculum has been customised for our TGT business in mainland China. The pilot run will take place in 2015. In addition, a full set of training materials has been developed for a core management programme, and a Train-The-Trainer programme will be arranged in 2015.	In Progress
Information System Enhancement	To implement a web-based Employee Self Service system for streamlining work processes.	Our Employee Self Service system was launched in November 2014 to provide a user-friendly, efficient and environmentally-friendly way for employees to view and update their own information, and to perform HR related application and approval functions electronically.	Achieved
	To apply web-based and mobile technology to promote knowledge transfer from senior executives.	The soft launch of the platform is slated for mid-2015. We intend to include Towngas' Vision, Mission and Values (VMV), time management and core supervisory programmes in our pilot run.	In Progress
Employee Health and Safety	To promote employee wellness through positive thinking, happy-at-work campaigns and programmes.	The Fun Living Series was launched, encouraging employees to cultivate a positive mindset regarding their health, work and family lives. Activities such as workshops on positive psychology, yoga at work and organic farming, as well as various health talks and seminars, were well received by colleagues.	Achieved
Community			
Social Project	To reach a grand total of 2,050,000 rice dumplings, 1,560,000 mooncakes and 330,000 servings of hot soup distributed by the end of 2014.	Reached a grand total of 2,085,000 rice dumplings (since 2000), 1,620,930 mooncakes (since 2001) and 375,088 servings of hot soup distributed up to the end of 2014.	Achieved

FUTURE TARGETS AND INITIATIVES

	2015 Targets	Medium Term Targets (Two to Three Years)
Environment Performance		
Green Certification	To achieve a Wastewi\$e label for 14 consecutive cycles.	
	To renew BEAM Plus certification for Towngas Headquarters.	
Waste Management	To enhance our waste management by commencing a waste audit project at the Towngas Headquarters.	To implement measures to enhance waste reduction and recycling in the building.
Climate Change Adaption	To complete our company-wide climate change risk assessment and present the results across all departments.	
Carbon Management	To organise the 6th mainland carbon reduction project competition.	To continue to upgrade our corporate ESG data management system to cater for increased demand for ESG data and information disclosure.
		To identify and explore new initiatives relating to emissions reduction and resource conservation.
Technological Improvement	To study hydroelectric technology and its application for reducing electricity consumption at our Tai Po plant.	
	To further extend our rainwater collecting system.	
	To study the feasibility of reusing concentrate from our reverse osmosis plant as make-up water for our cooling towers.	
Other Environmental Initiatives	To increase the use of environmentally-friendly cleaning products.	To prepare a feasibility study to improve the energy efficiency of the lift system at Towngas Headquarters.
	To set up an organic farm on the rooftop of Towngas Headquarters to promote a green and healthy lifestyle.	
Safety Performance		
Safety Training and Promotion	To organise our HSE Day, HSE Month and Contractor HSE Programme to promote HSE awareness and foster a safety culture among our colleagues and contractors.	To develop Occupational Health and Safety key performance indicators.
Safety Audit	To conduct a third safety audit, with scoring, of our ECO mainland gas filling stations.	To further promote safety awareness and a safety culture at our ECO mainland JVs through education, training and experience-sharing visits.
	To conduct a second safety audit, with scoring, of our ECO mainland chemical business.	To achieve certification for all managerial staff in our mainland JVs' Risk Management Departments, ensuring that they are all Certified Safety Engineers.

	2015 Targets	Medium Term Targets (Two to Three Years)
Safety Procedure / Guideline	To conduct an emergency drill for our ECO mainland business.	To develop a Safety Handbook for contractors, providing information on risk management and preventive measures.
	To establish a HSE Management System for theTowngas Telecom Data Centre.	
Social Performance		
Career Development	To refine the career paths of young technical staff in our Commercial and Engineering Divisions to enable them to envision their future prospects and equip themselves accordingly.	To formulate career paths for key “job clusters” in the Company in order to further staff development and engagement.
Knowledge Management	To promote a mobility programme that encourages employees to take up various types of mobility assignments, including assuming challenging roles and responsibilities across geographical locations, business segments and job functions, thereby facilitating knowledge transfer and sharing of best practices, and creating group synergies.	To increase knowledge transferred and best practices shared for all key processes across customer service, safety, engineering, procurement, quality assurance and improvement, partly through effecting year-on-year increases in the numbers joining the mobility programme.
	To initiate learning and sharing between Mainland Utilities and Hong Kong Utilities colleagues on seven specific areas: maintenance, quality assurance, purchasing, tendering, warehousing, quality improvement and innovation.	
Learning and Development	To launch a new Learning & Development curriculum that includes the standardisation of the on-boarding process and induction training for new joiners, an effective selling skills programme for general managers, and more.	To continuously enhance the content of our corporate leadership and management development curriculum to support both business growth and the development of our employees.
Talent Management	To continue the development of our third TLC+ Programme, particularly with regards to action learning projects, workshops, forums, mentoring and performance reviews and feedback.	To support new businesses in launching high-potential employee programmes to strengthen the Towngas Leadership Competencies of younger staff.
		To extend the Corporate TLC+ programme to more participants from across our mainland China businesses.
Social Projects	To distribute a grand total of 2,300,000 rice dumplings, 1,630,000 mooncakes and 400,000 servings of hot soup by the end of 2015.	To distribute a grand total of 2,550,000 rice dumplings, 1,800,000 mooncakes and 480,000 servings of hot soup by the end of 2017.

4 KEY STATISTICS

Business						
Operations (Company)						
	Unit	2014	2013	2012	2011	2010
Customers as at 31 December (Hong Kong)	Number	1,819,935	1,798,731	1,776,360	1,750,553	1,724,316
Town gas sales (Hong Kong)	Million MJ	28,835	28,556	28,360	28,147	27,578
Installed capacity (Hong Kong town gas production)	Thousand cubic metres per day	12,260	12,260	12,260	12,260	12,260
Employees as at 31 December (Hong Kong gas business only)	Number	1,972	1,966	1,943	1,938	1,923
Average turnover of workforce (Hong Kong gas business only)	%	6.4	5.1	4.6	4.6	4.5
Average turnover of workforce (all Hong Kong staff)¹	%	7.4	5.9	5.5	6	5.5
Financial						
Revenue	HK\$ million	31,615	28,246	24,923	22,427	19,375
Manpower costs	HK\$ million	2,706	2,282	2,013	1,700	1,467
Taxation	HK\$ million	1,771	1,655	1,485	1,344	1,039
Dividends	HK\$ million	3,680	3,346	3,042	4,148	2,514
Safety Performance (Hong Kong)						
Safety						
Trench inspections	Number	16,390	13,675	17,599	16,533	18,400
Regular safety inspections - home visits	Number	1,247,727	1,021,089	1,114,409	1,177,367	1,110,744
Community safety exhibitions	Number	12	12	12	13	12
Community safety talks	Number	10	5	6	5	6
In-house safety training	Number of man-hours	19,726	17,822	20,254	14,047	19,075
External staff safety training	Number of man-hours	6,385	6,181	6,720	7,071	8,002

	Unit	2014	2013	2012	2011	2010
Accidents – all industrial for injuries²	Number	14	15	10	10	16
Accident frequency rate²	Number of accidents per 100,000 man-hours	0.22	0.24	0.19	0.19	0.31
Reportable accidents²	Number	12	12	7	9	14
Accident incidence rate^{2,3}	Number of reportable accidents per 1,000 employees	4.4	4.6	2.7	3.6	5.7
Traffic accident injury rate²	Number of traffic accident injuries per 100 vehicles	1.68	1.47	3.74	3.11	3.71
Industrial injury man-days lost	Number of man-days	132	194	111	160	430
Fatal accidents (Hong Kong employees)	Number	0	1	0	0	0
Social Performance (Hong Kong)						
Customer Service						
Customer compliments	Number	5,894	6,026	6,090	5,658	5,532
Customer complaints	Number	8	16	7	10	9
Community Involvement						
Employees participating in voluntary services	Number	994	918	1,079	1,215	1,112
Voluntary service hours (including employees and customers)	Number of hours	79,551	72,025	68,508	64,956	48,815
Environmental Performance (Hong Kong)						
Resource Consumption / Conservation						
Electricity consumption at headquarters	kWh	6,026,637	6,370,540	6,913,514	6,840,479	6,945,157
Town gas consumption at headquarters	Units	28,180	33,051	86,142	85,545	100,666
Water consumption at headquarters	Cubic metres	16,735	14,006	13,470	14,033	13,229
Fuel consumption (unleaded petrol)	Litre	522,868	532,401	588,411	645,047	Figures not available

	Unit	2014	2013	2012	2011	2010
Fuel consumption (diesel)	Litre	226,235	194,535	158,825	126,903	Figures not available
Packaging material used - carton	Tonnes	824	798	Figures not available		
Packaging material used - wood	Tonnes	24	23	Figures not available		
Packaging material used - plastic	Tonnes	1	1	Figures not available		
Naphtha saved⁴	Tonnes	10,261	9,982	13,355	13,996	13,657
Town gas saved⁴	Cubic metres	3,006,583	3,406,278	3,404,587	3,528,364	4,089,133
Water saved⁴ (gas production)	Cubic metres	223,174	230,288	218,887	177,463	224,358
Grid electricity saved through Photovoltaic (PV) panels	kWh	86,850	86,700	86,500	86,600	86,600
Electricity saved⁴ (North Point headquarters and Ma Tau Kok office)	kWh	5,161,414	4,823,309	4,254,325	4,234,225	4,142,825
CO2 reduction equivalent in electricity saved⁵ (North Point headquarters and Ma Tau Kok office)	Tonnes	3,613	3,376	2,981	2,963	2,900
Landfill gas utilisation as heating fuel in gas production (from Shuen Wan)	Cubic metres	2,164,000	2,526,000	2,362,000	2,364,000	2,761,000
Landfill gas utilisation as heating fuel in gas production (from NENT SNG)	Cubic metres	15,126,352	14,619,749	20,129,181	20,789,390	19,925,269
Air Emissions						
Carbon dioxide (CO2)	Daily average in tonnes (tonnes per million MJ of town gas)	904 (11.70)	931 (12.09)	904 (11.92)	913 (11.91)	896 (11.96)
Nitrogen oxides (NOx)	Daily average in kg (kg per million MJ of town gas)	310 (4.02)	353 (4.59)	318 (4.20)	356 (4.65)	344 (4.59)
Sulphur oxides (SOx)	Daily average in kg (kg per million MJ of town gas)	1.4 (0.02)	1.2 (0.02)	1.5 (0.02)	1.5 (0.02)	1.9 (0.03)

	Unit	2014	2013	2012	2011	2010
Greenhouse gases⁶ (gas production)	Tonnes in terms of CO ₂ equivalent	358,582	365,981	360,634	362,307	355,958
Effluent						
Wastewater	Daily average in cubic metres (cubic metres per million MJ of town gas)	307 (3.97)	323 (4.20)	435 (5.74)	447 (5.84)	351 (4.68)
Waste Avoidance/Recycling						
Chemical waste generated⁷	Daily average in kg (kg per million MJ of town gas)	83 (1.07)	150 (1.94)	93 (1.23)	51 (0.67)	178 (2.37)
Spent catalyst collected for metal recovery	Tonnes	23.6	39.7	35.3	41.1	36
Metal chemical drums reused	Number	15	90	318	216	161
Plastic chemical drums reused	Number	1,030	914	969	1,064	818
Spent lube oil recycled	Tonnes	25.2	46.7	25.3	16.1	15.2
Scrap metal recycled - old gas appliances	Tonnes	1,229	1,278	926	840	989
Scrap metal recycled - from construction and maintenance of plant and pipelines	Tonnes	23	28	35	11	47
PE pipe recycled	Tonnes	17.8	12.6	10.7	27	11.7
Gas appliances polyfoam packaging materials avoided	Tonnes	1.29	1.31	1.52	2.19	4.33
Environmental Training						
In-house environmental training	Number of man-hours	1,012	1,420	1,951	549	4,008
External environmental training	Number of man-hours	349	818	1,120	255	773

Remarks:

- Hong Kong hired employees of HKCG, U-Tech, TGT, Manufacturing business, S-Tech, and ECO Stations.
- Contractor employees are excluded.
- From 2014 onwards, the accident incidence rate includes the number of employees of our subsidiaries. The figures for 2010 to 2013 have been revised accordingly.
- These figures are the savings achieved compared with the data of a reference year before implementing the respective environmental initiative.
- The default value to account for the GHG Emission Factor of electricity sold to customers in Hong Kong is 0.7 kg/kWh. Reference: Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings of Commercial, Residential or Institutional Purposes in Hong Kong (by EPD & EMSD).
- The emission factors of greenhouse gas emissions due to the consumption of electricity are obtained from the sustainability reports of the two local electricity companies which are released one year prior to our reporting year.
- All chemical waste handling procedures comply with the Waste Disposal Ordinance (Cap. 354).




Your Feedback

This publication provides a quick snapshot of our key sustainability activities in 2014. If you would like any further information, our full Towngas Sustainability Report 2014 is available online at www.towngas.com.




If you have any questions or feedback, we would very much like to hear from you. Please contact us:

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