



ENVIRONMENTAL, SOCIAL AND GOVERNANCE





红树
低碳未来

相约港华林
找个朋友吧

港华林

绿色森林呼吸

一起守护
红树林

环保有态度!

188 华电集团
Towongas Smart Energy
港华燃气
Powergas

守护海湾 净滩行动



Environmental, Social and Governance (ESG)

2023 Highlights

Serving as a role model in the industry, Towngas Smart Energy has continued to uphold our commitment to benefiting society and contributing to the community. We also make every effort to protect the environment to ensure a more sustainable future.

The Group's Board of Directors attaches great importance to resource investment in ESG. Together with our parent company, HKCG, we have established an ESG Steering Committee under the Board ESG Committee. The ESG Steering Committee, formed by representatives from various

functional departments, covers major material ESG issues. It is responsible for setting relevant performance indicators to promote an ESG culture within the Group. This culture is integrated into our daily operations to ensure that these work practices are implemented at every business level.

To fulfill our corporate citizenship responsibilities, we also plan and coordinate community and environmental activities and set up a volunteer team comprised of Towngas Smart Energy employees. During the year, more than 5,200 employees participated in community activities, contributing to around 110,000 volunteer hours.

Improving ESG Performance

Reaffirming our ESG leading position, Towngas Smart Energy has received favourable evaluations from six major international ratings and indices. These include CDP, FTSE Russell, the Hang Seng Corporate Sustainability Index, MSCI, S&P Global and Sustainalytics.

Rated the **Top 1%** of Chinese enterprises by **S&P Global**, included in the first-ever *S&P Global Sustainability Yearbook (China Edition)* and recognised as an "Industry Mover".

Rating upgraded to **AA** in the **Hang Seng Corporate Sustainability Index Series**.

Included in the **FTSE4Good Index Series** and received an **upgraded ESG score** from FTSE Russell.

China has proposed its "30-60" dual carbon goals with a strong commitment to promoting energy transition. Furthermore, the market is seeing a huge demand for green financial products. Riding this wave, we successfully issued 1-year and 3-year Panda Bonds for the first time on the Chinese mainland during the year, raising a total of RMB1.5 billion. The weighted average interest rate for these bonds is 3.27% per annum. Included in these bonds is the first batch of sustainability-linked Panda Bond issued by a Hong Kong enterprise on the Chinese mainland. It received an enthusiastic market response and recorded an oversubscription of 1.6 times.



Greening the Next Generation

In November 2023, together with our parent company, HKCG, we organised the Towngas Green Flame Future Lab family fun fair in Hong Kong. Through game booths, interactive exhibitions, STEAM workshops and other activities, this edutainment event allowed the public, especially the next generation, to learn about future energy development and a low-carbon lifestyle. The two-day event received more than 10,000 visits. Promoting the importance of environmental protection to the next generation, we launched our new Towngas Green Flame Energy Scientist Programme education initiative at the fun fair. To facilitate the programme, we established the Green Flame Education Team which consists of employees who possess expertise in engineering or ESG. They will visit schools to provide information and further details with regard to future energy and climate change, helping students to establish a sense of ownership of our earth's future.

We also encourage employees to lead by example. During the year, we officially launched a self-developed inclusive carbon platform to promote a low-carbon lifestyle and green office practices. Employees can obtain green certificates by practising different daily environmental-protection behaviours under this initiative.



Caring for the Community

The Group, together with its parent company, HKCG, organised the “Rice Dumplings for the Community” event. Under this initiative, we made rice dumplings with different communities such as young people, the elderly and ethnic minorities. For the first time, it was held online and in person, linking employees from Hong Kong and the Chinese mainland, with a number of local groups. This innovative move successfully set a Guinness World Records™ title for “the most people making rice dumplings simultaneously online and in a single venue”.

In 2023, the Group's signature community campaign, the Gentle Breeze Movement, celebrated its 10th anniversary. In June 2023, the Movement supported five primary schools in Lüshunkou district, Dalian, Liaoning province, building libraries and donating education and sports supplies. Over the past ten years, Towngas Smart Energy has donated over RMB3.6 million in support of 38 schools. Additionally, in September 2023, the inauguration of the Towngas Smart Energy – BEA Charity Fund Green Firefly Centre was held at a secondary school and a primary school in Baotou, Inner Mongolia Autonomous Region. Under the programme, audio-visual rooms were set up to help local students gain access to digital learning.