



# We Work for Philadelphia



Philadelphia Gas Works  
Corporate Social Responsibility Report



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**WE WORK FOR PHILADELPHIA**

“We understand that meeting the needs of our customers and our city means focusing on the welfare of our communities, our employees and our environment.”



Craig White, President and CEO

## Welcome to our corporate social responsibility report

One hundred and eighty years ago, 46 natural gas lamps were lit along Philadelphia's 2nd Street and announced the arrival of PGW. Since that momentous day, we've focused our energy and our resources on serving the needs of the people and businesses of Philadelphia.

We were hard at work during The Centennial International Exhibition of 1876 (the first official World's Fair in the United States), and kept at it even as we watched the opening of Philadelphia's Museum of Art, the launch of its Orchestra, and, in 1899, the creation of the Free Library of Philadelphia. People of our company saw the opening of the Benjamin Franklin Parkway, the creation of the Pennsylvania Railroad Company's Main Line, and rise of the Comcast building. In 2015, we generated \$8 million in liquefied natural gas (LNG) sales, and proved the viability of investing for the long-term in the LNG market. That's important for our business, and our ratepayers.

In this, our first ever Corporate Social Responsibility Report, we have outlined many significant ways in which PGW works every day to provide the energy needed to improve standards of living throughout Philadelphia in a safe, environmentally-friendly and socially responsible manner.

Our employees share a commitment to safety, integrity, operational excellence and good corporate citizenship; they work every day to assist our customers, maximize benefits for the communities in which we work, and maintain a safe, secure and healthy workplace. By focusing on developing long-term benefits for communities, we are contributing to society's broader sustainability goals, generating a more stable business environment and better quality of life for the region.

At PGW, we know where Philadelphia's been because we've been there too. We understand its needs and how they change because we live here. We see its potential and we know there's a vital role for us in its future. We understand that meeting the needs of our customers and our city means focusing on the welfare of our communities, our employees and our environment.

Today, we are proud to combine our abilities to generate new revenue and control costs with the many ways we contribute to society as a whole.

We're offering more ways to control energy consumption through EnergySense; providing more access to and understanding of your account with online and mobile resources like My Account for billing and payments and Bill Analyzer for usage trends and history; investing in our workforce; and creating meaningful and measurable outreach programs that will make Philadelphia's children better prepared for the future.

As we mark 180 years of serving Philadelphia, our good work is being recognized as never before. Upgrades to our bond ratings in the last year by Moody's, Standard and Poor's and Fitch Ratings cite our improved and stabilized financial position, management's ability to enhance operating efficiencies and our pipeline improvement program. In addition, in 2015 JD Power recognized PGW as one of the most improved brands of the 83 natural gas utilities that participate in JD Power surveys across the country.

We are excited about the opportunities that lie ahead and are happy to share with you our commitment to providing safe, reliable natural gas service to the city of Philadelphia.

Thank you for your ongoing support. As always, PGW welcomes your feedback.

Sincerely,

Craig White, President and CEO

Philadelphia Gas Works

“PGW’s path to a cleaner future is one that will serve it well in the years ahead. I am honored to have been a part of its illustrious 180 year history.”



David Seltzer, Chairman, Board of Directors

## Chairman Message

Our objective in this report is to illustrate the actions we are taking in support of our commitment to be a strong corporate citizen to all we serve.

Philadelphia Gas Works is working to meet the ever-changing energy needs of the city of Philadelphia, and to fulfill that purpose in responsible and sustainable ways. Corporate citizenship at PGW goes hand-in-hand with its strong commitment to quality standards in all aspects of its operations. It is not simply an initiative; it is part of who we are.

In addition to our focus on safety and customer service, PGW’s commitment extends to our impact on the communities in which we live. It is also an extension of the dedicated work performed by PGW’s employees in each of the communities we serve.

In some areas, our current activities are already substantial. In other areas, PGW is in the early stages of what will become increasingly vital programs supporting our communities. I am inspired by the commitment and passion of PGW’s employees to make a difference – whether it’s innovation in areas of sustainability or finding fresh ways to raise awareness and generate support for those in need.

We also welcome your feedback, input and support as we move forward with our commitment in the key areas of corporate social responsibility

highlighted in this report: community, safety, environment, customers and employees; and our long-term corporate responsibility strategies where PGW works and lives.

Over the past eight years, as Chairman of the Philadelphia Facilities Management Corporation Board, I have been proud of the work that we have accomplished, and the positive impact we have had on the performance of the Company. As I have stated many times – PGW’s path to a cleaner future is one that will serve it well in the years ahead. I am honored to have been a part of its illustrious 180 year history.

Please enjoy reading about PGW’s efforts and its progress in this report.

Sincerely,

David Seltzer, Chairman, Board of Directors

Philadelphia Facilities Management Corporation

## Introduction

In this report we share our vision for corporate citizenship and highlight the work we've done in 2015 to better our employees, our company, and our communities in the following five areas:

- Safety, Reliability and Accessibility
- Customer Satisfaction
- Environmental Responsibility
- Community Engagement
- People and Culture

Read on to learn why we deploy our talented staff to drive social good—and how our approach to corporate citizenship aligns with the work we do every day to provide safe, reliable natural gas service to Philadelphia.

We also invite you to read our 2015 Consolidated Annual Financial Report for a detailed look at our economic impact and strategic cost saving measures.

## About Us

### PGW History

Philadelphia Gas Works is a municipally owned natural gas utility that serves customers in the city of Philadelphia. PGW was formed in 1836, when the first gas street lights were installed. Through 1948, coal gas and carbureted water gas were manufactured and supplied to customers. On March 25, 1948, natural gas from Texas' oil fields began to flow through pipelines to the company's Passyunk Plant in Southwest Philadelphia where it was combined with locally created manufactured natural gas.

During the spring of 1963, nearly 1,633,000 customer-owned natural gas appliances were converted to burn natural gas that was delivered to homes and businesses at a greater pressure. This program was completed in less than six months at no charge to customers. PGW has helped to introduce many of the modern conveniences that have enhanced the quality of our lives, including the gas stove, the automatic gas water heater, the gas home heater and air-conditioner, the single-point ignition range, the gas dryer and the matchless gas range.

### PGW Today

Today, PGW continues to provide safe, reliable natural gas service to approximately 500,000 Philadelphia residents and businesses 24-hours-a-day, 365-days-a-year. PGW meets the constant demand for natural gas with over 1,600 employees trained to maintain, operate and support its 6,000+ mile distribution system, approximately 3,000 miles of which are gas mains and 3,000 miles of which are gas service lines. In addition to this extensive pipeline network, PGW gas workers, union and non-union alike, operate one of the largest liquefied natural gas (LNG) plants in the country, as well as a second LNG satellite plant.

It is estimated that PGW's LNG assets have saved PGW customers more than \$2 billion since the facilities came on line in 1972. Supplementing its pipeline and plant operations, PGW operates five neighborhood Customer Service Centers, provides 24/7 emergency response, answers over 2 million customer phone calls per year, provides programs for those in need, and conducts a myriad of other activities critical to the operation of a gas distribution operation. These critical operations demand focused performance, a hallmark of PGW's employees who work hard every day on behalf of ratepayers, residents and the larger local community.

In 2015, leadership across the company continued to integrate social and environmental responsibility into PGW's business operations, including the creation of a dedicated team to oversee our strategy, goal setting and performance management in the area of corporate citizenship. This team regularly engages company leadership, the broader workforce and external stakeholders to develop initiatives that meaningfully impact our standing as a responsible corporate citizen.

PGW's on-site recycling programs, paperless billing options, online information and services, and improved business practices continue to deepen our engagement with the communities we serve. To us, corporate citizenship means prioritizing company volunteerism and neighborhood outreach. It also means providing our customers with the tools they need to more efficiently use natural gas. We also practice what we preach, focusing increasing efforts on reducing the company's environmental footprint.

PGW today is well-placed to further invigorate the city we have been an integral part of for 180 years.

### PGW Facilities

**Corporate Headquarters**  
800 West Montgomery Avenue  
1800 North Ninth Street  
Philadelphia, Pennsylvania

#### Gas Production & Storage Plants

Passyunk Plant  
Richmond Plant

#### Outlying Field Service Stations

Belfield  
Castor  
Porter  
Tioga

#### Customer Service Centers

Center City - 1137 Chestnut Street  
Frankford - 4410 Frankford Avenue  
Germantown - 212 West Chelton Avenue  
North Philadelphia - 1337 West Erie Avenue  
South Philadelphia - 1601 South Broad Street  
West Philadelphia - 5230 Chestnut Street

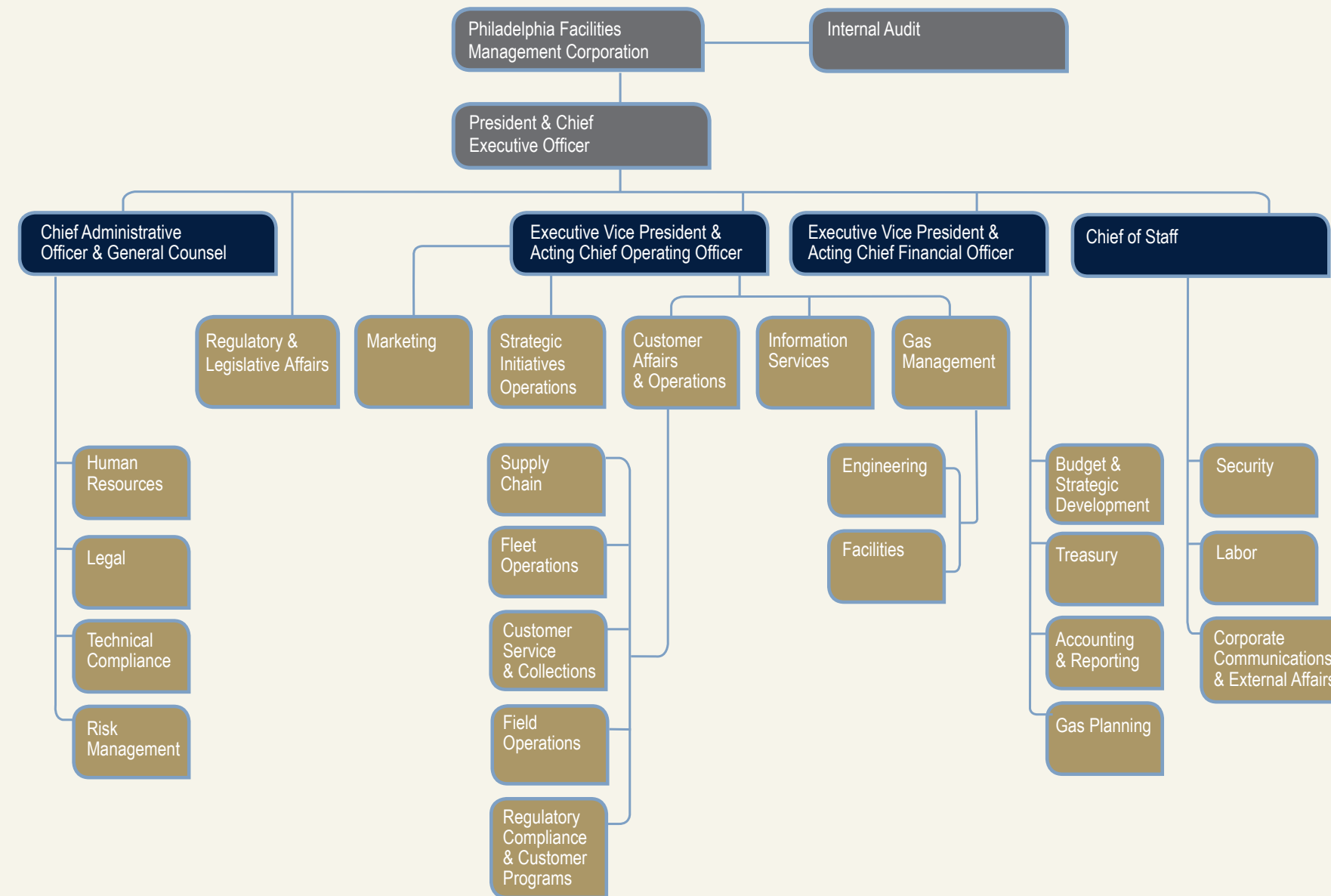
#### Transportation Garage

North Philadelphia - 1849 North Ninth Street



Richmond LNG Plant

Philadelphia Gas Works  
Organizational Chart\*



\*As of 8/31/2015

**PGW Mission and Vision:**

**Mission:** A financially viable enterprise providing safe, reliable natural gas service.

**Vision:** The industry leader in Customer Service and Operational Excellence.

**More Efficient Operations**

PGW's 2015 financial outlook is strong.

Over the last ten years PGW has controlled costs and improved the collection rate to an average of 95.6%, while also maintaining a strong balance sheet.

With annual revenue of \$700 million in 2015 and net income that has increased from \$17 million to \$67 million from FY09 to FY14, PGW has a great financial story to share with its ratepayers.

A specific demonstration of that strength is our current investment grade bond ratings:

Rating Agency	Standard & Poor's	Moody's	Fitch
Rating	A/Positive	Baa1/Stable	BBB+/Stable

We Work for Philadelphia: Corporate Citizenship

5 Areas of Focus

1. Safety, Reliability and Accessibility

At Philadelphia Gas Works safety is paramount. Everyone at PGW is committed to the safety of our customers and employees, and to the entire city, as we reliably supply natural gas in a manner that ensures accessibility for our residential, commercial and industrial customers. In April 2013, the Pennsylvania Public Utility Commission (PUC) approved PGW's long term infrastructure improvement plan for accelerating the replacement of cast iron main in Philadelphia. Through effective management action and the approval of the local Distribution System Improvement Charge (DSIC) PGW has been able to accelerate the removal of cast iron mains.

We constantly assess the integrity of our system, including our gas mains. We use state-of-the-art mobile sensors – handheld and mounted on vehicles – to monitor and assess real-time issues. We employ sophisticated computer modeling to alert us to potential issues and to assist us in prioritizing our main replacement schedules. We inspect every road, street and avenue for gas leaks on a regular, continual basis, in addition to performing spot checks and responding to odor calls.

Philadelphia has grown tremendously, as have demands on PGW's system, and our infrastructure must evolve to meet the community's energy needs.

Of our 6,000 miles of pipeline, a little less than a quarter is cast iron. PGW is replacing all 1,500 miles of cast iron mains in a managed and methodical manner to maintain the safety of the system.

As a result of aggressive management, we will have reduced the timespan of the main replacement program by almost 90 years to 48 years. In 2015 PGW replaced more than thirty miles of existing cast iron.

It is our reliability that is key to PGW's ongoing success. Our well-planned, coordinated main replacement program ensures we can minimize potential service interruptions as we work to upgrade our system. PGW customers – residential, commercial and industrial – can rely on PGW for the safe, reliable flow of natural gas to meet their energy needs 24/7.

Lastly, PGW is prudently managing the gas main replacement program to ensure maximum return for the dollars invested. Our pipeline improvement program costs roughly \$1.4 million per mile; costs vary depending on the size of the main, its location, the time of year, and many other factors. PGW has been able to achieve significantly lower costs (sometimes less than \$1 million per mile) for smaller diameter pipes, while larger diameter pipes can cost over \$2 million and sometimes as much as \$5 million per mile to replace.

**Culture of Safety**

The safety of employees and customers is also a vital concern to PGW. The company does all that it can to prevent injury to persons and damage to property while safeguarding against accidents and fire.

**PGW's focus on safety provides for:**

- Fire prevention and protection;
- Right to Know training;
- First aid;
- Motor vehicle and fleet safety;
- Head, eye, ear and foot protection; and
- Accident prevention at work, on the street and at home.



## 2. Customer Satisfaction

The needs of today's customers have changed. Utilities now compete for customer satisfaction like all other businesses, from department stores to health care providers. Customers expect high levels of service and the ways in which they want to interact with businesses have evolved, as well. In 2015 PGW launched an office of Public Affairs designed to better meet customers where they are and to create an environment that allows for more frequent, customer-focused communication.

In 2015 PGW was named a top 10 Most Improved Brand out of 83 residential natural gas utility brands by the J.D. Power Customer Satisfaction survey. As you may know, J.D. Power is the company that ranks popular consumer items, like automobiles, electronics, hotels and insurance. Did you know they also rank customer natural gas utility experience? More specifically, it has ranked PGW customer satisfaction levels since 2008. J.D. Power – the company that calls itself “The Voice of The Customer” – ranks PGW customer satisfaction across six factors: price, corporate citizenship, communications, billing and payment, customer service and field services. Most notably, PGW has seen the most improvement in *Price* - how our customers measure value; *Corporate Citizenship* - how aware our customers are of PGW's contributions to the community; and *Communications* - measuring if customers see and hear messages from PGW about safety and our program offerings on a consistent basis.

Satisfaction scores are calculated by J.D. Power by surveying PGW customers online four times a year. Our 2015 annual score of 635 marks the highest overall score PGW has received to date and a growth of 62 points since PGW began the satisfaction survey in 2008.



### Community Outreach

Supporting our community is not just a corporate responsibility; it's an important part of who we are. Our employees live and work in the city of Philadelphia and we want to make sure our impact on this community is a positive one. From notifying communities of neighborhood infrastructure improvements, employee volunteerism and providing cost-saving energy information for more affordable natural gas - PGW is committed to supporting the residents and businesses of Philadelphia.

PGW's community initiatives are about sustaining and improving quality of life in the communities we serve. By engaging key communities that PGW serves – including significant outreach to low income populations of Philadelphia (of PGW's 500,000 customers approximately 150,000 qualify as low income) – we can help to maintain a strong community.

In 2015 PGW worked with nearly 150 different organizations and every legislative office in our service area. PGW also attended and hosted community events, informational sessions and public meetings all over the city of Philadelphia, in both English and non-English speaking communities.

### Enhancing Communication

As is the case for all city utilities, upgrading infrastructure requires careful coordination and collaboration with city agencies and other utilities. In 2015, we introduced a Public Affairs Hotline, engaged new social channels like Nextdoor.com and expanded our online presence to improve customer communication around our pipeline improvement efforts. Better communication supports public safety and improves quality of life for city residents. All PGW improvement projects are available at [pgworks.com/worksites](http://pgworks.com/worksites) along with information on what a neighborhood should expect if underground natural gas pipes are upgraded in their area.

In addition, PGW made sure to make safety information available in both English and Spanish and issued a bilingual billing insert in April of 2015 in every customer bill.

### Nextdoor.com

In May of 2015, PGW became the first natural gas utility in the nation to join Nextdoor.com. Nextdoor is a free and private social network for neighborhoods, to increase communications with residents across Philadelphia. Residents all over the city can now receive messages directly from PGW and get updates on PGW pipeline improvement projects scheduled for their neighborhoods, natural gas safety tips and company service updates.

In just the last three years, PGW has established a Public Affairs office, launched a redesigned customer website ([pgworks.com](http://pgworks.com)), joined Twitter (@MyPGW) and Facebook (MyPGW) and began a weekly blog; this collaboration with Nextdoor is a continuation of PGW's strategy to enhance customer satisfaction and improve communications with customers. Nextdoor has proven to be an essential and well-adopted tool for Philadelphia residents. More than 270 neighborhoods in the city of Philadelphia are using Nextdoor to connect with each other and the City, and now PGW has joined that conversation.



### Community Advisory Committee

PGW re-established the PGW Community Advisory Committee in 2015. The advisory committee is made up of thoughtful community leaders and representatives from local elected offices that offer insight and input into how PGW can best serve the community. Committee members participate in an annual meeting and are invited to share feedback and input directly to PGW in effort to enhance communication and provide services that offer the most value.

### Expanded hours

Our Customer Service Centers launched Saturday hours in our Center City District Office, located at 1137 Chestnut Street, from October to December from 8 a.m. to 4 p.m. in addition to its normal weekday hours - Monday, Tuesday, Thursday, and Friday 9 a.m. to 5 p.m. - as a pilot program in 2015.

PGW customers could stop in to pay a bill or apply for services over the weekend, on a day and time that was more convenient for their work schedule.

PGW has six Customer Service Centers throughout Philadelphia. In fiscal year 2015 we served approximately 181,000 customers at our locations.

Expanded hours allow our customers the convenience of managing their PGW account beyond the traditional work week. It's yet another way we're improving the customer experience.

– James S. Smith, supervisor of Customer Affairs.



## Imposter Awareness

Each year we all hear stories of utility imposters who work their way into area homes and steal money and valuables while inside. This year PGW joined ranks with the Philadelphia Police Department, Philadelphia Water Department, PECO, and the Philadelphia Corporation for Aging (PCA) to launch “Be Sure Before You Open The Door,” a campaign designed to spread awareness about the issue and offer assistance to those who may fall victim to this type of criminal scam. While some Philadelphians are skeptical when someone shows up at their door claiming to be from a utility company, many vulnerable members of our community feel pressured to let individuals inside their property for fear of an emergency or missing out on a vital repair. Now by dialing 911 Philadelphia residents can confirm whether a utility worker should be at their door and dispatch a Philadelphia patrol car if necessary. You can find more information at [pgworks.com/safety](http://pgworks.com/safety).



## 3. Environmental Responsibility

Here at PGW, we exhaust all measures to take care of our environment, because as an energy company, we understand the footprint we leave. That's why we're in the efficiency business, because natural gas is the most efficient fossil fuel out there — by a lot! — with almost 92% of source energy getting delivered to the customer as usable. Efficiency is also about the energy conservation strategies homeowners and businesses use to save on the cost of natural gas. PGW has developed a number of efficiency incentives for our customers to take advantage of in the form of home rebates, equipment rebates and construction grants. For our workforce we have developed a number of environmentally focused projects and programs that benefit the world around us, both in the short and long term.

### Energysense

In August 2015, PGW Energysense offered mobile thermal imaging reports to select residents of as part of a ‘neighborhood blitz’ of homes that may have the greatest need. Qualified upgrades may also be eligible for an additional \$500 rebate to offset the cost of energy-saving home improvements.



PGW Energysense is designed to help customers save energy, and the PGW Home Rebates program is one of a suite of business and residential energy efficiency programs offered under the PGW Energysense brand. Energysense provides a range of rebates and grants to help homeowners afford energy-efficient upgrades. Customers can save as much as \$350 off the regular cost of a home energy assessment. To learn more visit [pgwenergysense.com](http://pgwenergysense.com) or call 855-PGW-SOLVES (215-749-7658)

“Eighty-five percent of homes across America have at least one critical home performance issue that can affect energy efficiency. That often results in higher utility costs, and reduced comfort and safety.”

– Elliott Gold, Director, Customer Programs

### Data Center

In 2015, PGW unveiled its new cutting-edge Data Center at our headquarters, which will save the company a projected \$200,000 annually in operational costs. The facility is one quarter the size of its predecessor and significantly cheaper to run. One of the highlights of the Data Center is that it is cooled using exhaust heat from PGW's on-site Combined Heat and Power (CHP) system, which also generates half of the electricity needed to power the center. On-site power generation using the CHP system cuts the cost of electricity significantly and allows PGW to become less reliant on power from the grid.

Producing electricity on-site cuts electric costs in half, approximately, versus buying it from the power grid. That cost difference of \$.12/kWh from the grid, compared to about \$.06/kWh to generate it on site) translates to savings of \$40,000 annually. As the CHP system burns natural gas to produce electricity it also releases exhaust heat. That exhaust heat, which would otherwise vent directly into the atmosphere, is now redirected through a chilling process and used to cool the new Data Center. The physical design of the 2,000 square foot Data Center also employs what is known as a ‘hot aisle containment system,’ which drives down operating costs by improving the management of temperature and air-flow within the center.

Together, the use of exhaust heat, the local generation of electricity using natural gas and the improved management of temperature and air flow, deliver significant savings and greater levels of energy efficiency.



“Our on-site CHP system will generate 50 percent of the electricity used to power the new data center, reducing our reliance on the grid and saving thousands. That's good for PGW, good for our customers, and good for our community.”

– Eloise Young, vice president of information services and chief information officer

### Recycling

PGW's corporate goal to reduce the carbon footprint of PGW is measured annually in order to track our reduction of annual solid waste greenhouse gas (GHG emissions). In FY 2015, PGW achieved its goal of reducing GHG by 26 percent from levels prior to the implementation of the recycling program. Currently, PGW includes recycling of office paper, cardboard and mixed containers (bottles and cans) to track this corporate metric. Below is the data for PGW's monthly recycling.

### Recycling Metrics FY15

Description	Volume of Recycled Materials (Tons)	Metric tons of CO2 Equivalents Avoided	Cost Reduction by Recycling Instead of Disposal (per ton)
Weight	13	37.69	
Cost	\$158.47 to dispose of one ton of trash	N/A	\$15.21

## Sustainability

*Combined Heat and Power (CHP).* At PGW and at forward-looking organizations across the city, CHP is used to generate electricity while simultaneously meeting heating and cooling needs using natural gas as the fuel source. CHP can operate at more than 80% efficiency, while the separate generation of electricity in the US centralized grid system averages less than 35%. That's a significant increase in efficiency, with both environmental and financial benefits.

Couple this efficiency with lower greenhouse gases and the greater energy resilience that CHP offers in the face of heavy winds, ice storms or delayed fuel deliveries, and you have a compelling technology.

CHP also allows building operators to use only one fuel source, natural gas, which has both stable pricing and almost unlimited availability, to generate electricity and thermal energy.

At PGW, we see that this market is still in its infancy, locally.



From PGW's current vantage-point, there's *Compressed Natural Gas (CNG)*. PGW has already laid the groundwork for local fleet operators to adopt CNG as a source of vehicle fuel. We've added CNG vehicles to our fleet, trained our mechanics and technicians to service CNG vehicles and built our own CNG fueling station. These steps will help develop a local market and we're using our CNG operations to show other fleet operators how to do it.

We're also supporting local CNG station owners like VNG and Temple University by offering a rate which makes it economically viable to operate a public or private CNG station. Cities like Pittsburgh have already shown how to effectively promote CNG as a cleaner, more price-stable, more locally supportive fuel source.

All of these opportunities have the potential to bring good, long-term jobs that sustain families in Philadelphia. It's more income, new businesses, more revenue and a powerful rising tide that lifts everyone up.

Philadelphia possesses unique benefits that can bring significant new business and new success to our area, if we have the determination to match our ambition. But business moves with great speed – it does not wait, and neither should we.

Energy means new jobs, increased economic development and newer technologies that will truly move us into an era of energy independence. It is the magnet that can pull business toward us, so we can take full advantage of our location, our resources and our workforce.



## PGW Green Initiative

PGW has joined the city of Philadelphia in its commitment to combat global climate change. PGW's Green Initiative not only focuses on reducing greenhouse gases, but also on improving the company's recycling efforts. Employees can participate by placing recyclable materials into appropriate collection bins located at their desks and in central locations throughout

PGW's buildings. Desk-side collection bins allow for the recycling of mixed papers, including white paper, copy paper, computer paper and newspapers; and collection bins throughout the company allow for the recycling of glass, aluminum and tin cans and plastic bottles made of No. 1 through No. 7 plastics.

## 4. Community Engagement

Throughout the year PGW gives back to our local community through different drives, events, tours, service programs and more. Serving others is core to who we are as a company, and we see it in the way our employees give back to communities all over Philadelphia.



In 2015 we hosted events like Fill Up Your CNG Think Tank, which educated customers on the Compressed Natural Gas market in Philadelphia, gave a tour of our fleet operations to Temple University students in the new Supply Chain Management Major and hosted a supply chain diversity training and information session.

In addition, we always make ourselves available to the community year round by attending outreach events like the First-Time Home Buyers Workshop hosted by Asociación Puertorriqueños en Marcha for Everyone, where we outlined ways LIHEAP can help pay home heating bills.

### Signature Engagements

#### United Way

For more than 90 years, PGW has partnered with our local United Way to widen the net of support and service we provide to our community. This year's campaign raised \$90,000 for United Way and the charities and organizations it supports.

Our employees' donations to the United Way Impact Fund last year alone helped 2,580 more youth graduate from high school, 2,350 adults obtain employment and establish financial stability, 13,590 elders experience overall improvement in their well-being, and 72,960 individuals receive emergency food, shelter, and utility assistance.

Our continued support of education, financial stability, basic life needs and health through United Way can help grow these numbers and have a positive impact on even more families.

#### The American Red Cross

PGW employees participate in the American Red Cross Blood Donor Program. PGW sponsors bi-annual on-site blood drives at the company's headquarters.

#### Back to School Supply Drive

The average cost of school supplies for a child in grades K-12 nationally is \$630.36 according to the National Retail Federation's Back-To-School Survey. This figure further highlights the impact and importance our annual back to school supply drive has on families and children in need right here in our own community. Organized by PGW's Ignited Towards Success affinity group, our back to school drive ran throughout August and aimed to lower the financial burden back to school shopping and classroom preparation has on local families.

PGW employees could also be seen volunteering by way of the 2015 Martin Luther King Day of Service at:

- The JRA (Jewish Relief Agency) by helping deliver food to struggling families in the Greater Philadelphia area. Deliveries were made using volunteers' personal vehicles to locations in a small geographic area.
- The S.H.A.R.E Food Program bagging meals and food for under-privileged people in the Philadelphia area.
- The Montgomery Townhouses Resident Association beautifying the neighborhood from 22nd Street to 20th Street between Berks and Montgomery.



#### Mentorship

At PGW, we actively encourage young students to pursue careers in Science, Technology, Engineering and Math (STEM). PGW's Technical Association provides a community for technical personnel to explore, exchange, and discuss information and ideas both internally and to the Philadelphia community. For many years the Tech Association has supported The George Washington Carver Science Fair, founded in 1979, which encourages urban youth to pursue academic achievement and careers in science. It is open to all students in grades four through twelve who attend Philadelphia public, charter, parochial, and private schools, as well as to home-schooled students residing in the city. Over 37,000 students have participated in the Carver Science Fair and have, in many cases, moved on to compete in the Delaware Valley Regional and International Science Fairs. In 2015, nearly 300 students registered for the Feb. 19th event and of those, two students were presented with PGW's Future Techie Award. The award – funded via a Tech Association-sponsored bake sale in February – is presented to students who provide a novel insight into energy use.

#### High School Summer Intern Program

Since 2008, PGW has mentored Philadelphia high school students through WorkReady Philadelphia. The program, organized by the Philadelphia Youth Network, aims to provide students with workforce preparation by offering the tools needed to become great employees, entrepreneurs and leaders.

In 2015, we welcomed 19 students to various departments across the company for the six-week program. PGW is proud to have a hand in mentoring our area's future leaders and helping our community grow through educational opportunities. To learn more about WorkReady, visit [www.workreadyphila.org](http://www.workreadyphila.org).

## Job Training & Development

PGW is present in several Philadelphia educational boardrooms and classrooms. Employees serve on various educational boards to ensure that curriculum and equipment are reflective of Philadelphia and the region's workforce needs. For example, our board service on Philadelphia Academies Skilled Trades Board helps the Philadelphia School District shape curriculum and standards for those high school students enrolled in Philadelphia's Trade Schools. PGW has hosted mock interview sessions as well as attended career days and resume review sessions.

PGW also serves on the Process Technology Advisory Board for Philadelphia Community College. Among the duties assigned are to provide real time information on industry needs as well as help shape curriculum.

In the near future, PGW will be increasing our outreach by including Philadelphia middle schools as prospective audiences.

PGW realizes that it is mutually beneficial to both students and our organization to help prepare the next generation of Philadelphians for successful entry into the work force.



## 5. People & Culture

In 2015, PGW's workforce stood at 1,624 employees. Each of our employees plays a vital role in the company. We value both their professional and personal engagement – and we are focused on making sure all employees have the information and support they need to be their best. Our efforts are best categorized into these four categories:

- Diversity
- Wellness
- Work & Life Balance
- Employee Affinity Groups

### Engaging Customer Facing Employees

Our dedicated field employees make up the majority of our workforce. They're truly the face of PGW and we're committed to their growth. This year nearly 500 employees within our Distribution department received soft skills training. Customer Service Representatives also receive annual soft skills training and all PGW employees receive annual progression reviews.

### Building Skills For Now and Later

PGW encourages professional development by offering a variety of in-house training programs, on-site college classes, and online learning courses. As part of PGW's ongoing commitment to education, the company offers an on-site after hours Associate of Arts degree program. This partnership with the Community College of Philadelphia uses the cohort model that aims to ensure that employees are successful in completing their degree. This innovative program is open to all employees.

### College Internship Program

In addition to supporting the development of our employees, PGW looks for ways to help the next generation obtain the skills needed to join the workforce. In 2015, PGW hosted 29 college interns in departments across the company. Students represented institutions throughout the tri-state area, with the majority from right here in Philadelphia. Since 2007, PGW has employed 149 college interns and hired 19 of them full time.

### Investing in People

We prioritize health and wellness – and we encourage our employees to, as well. We're proud to offer great health benefits, along with opportunities to help employees develop and maintain healthy lifestyles.

Offering great benefits isn't just the right thing to do. It's smart business.

### Lifestyle Improvements for Employees (L.i.f.e.)

PGW's corporate wellness program raises awareness and educates employees and their families about a variety of health topics, provides appropriate interventions to help prevent the onset of chronic diseases, and offers a diverse range of activities that support healthy behaviors. The program offers a variety of



activities to get our people moving, including weight control programs, indoor and outdoor walking challenges, exercise workout programs, dance classes, running, golfing, yoga, potluck challenges, wellness seminars conducted by professional health care providers such as Fox Chase Cancer Center, health fairs, and personal health risk surveys.

Employees are allowed to participate in wellness activities before and after their scheduled start and end time and during their lunch period. In 2015 PGW employees participated in Philadelphia events, such as the:

- National Walk at Lunch Day
- Tough Mudder race to benefit the Wounded Warrior Project
- FarmShare
- The Clean Air Council's Walk/Run for Clean Air

In October, PGW announced a new Health Care Incentive Program for employees. Developed by a cross-functional team of union and management personnel, the program is designed to reduce health care costs for employees (and their dependents), and help employees get more out of our current L.i.f.e. Wellness Program.

### Preventative Health Screenings

To help employees reduce their health risk, PGW offers preventative health screenings conducted throughout the year by our on-site highly trained medical staff.



## PGW Bike to Work Week: 150 Miles Clocked Over Six Days

From May 11 through May 16, PGW's Green Team and L.i.f.e. Wellness Program hosted one lunch-and-learn, five bike-to-work outings, a bike-at-lunch group ride, and a Saturday ride along scenic Kelly Drive to recognize our first-ever Bike to Work Week. In total, our employees clocked 150 miles.

## Reflecting the Community We Serve – Diversity at PGW

PGW integrates diversity and inclusiveness as core business values. We recognize that a talented, diverse workforce enables us to meet our mission of providing safe, reliable and affordable natural gas service to our customers. As a result, PGW focuses on:

- Commitment
- Culture
- Careers
- Community

We make it a priority to abide by all federal, state and municipal equal employment and affirmative action laws, ordinances, executive orders and regulations with respect to recruitment, employment, promotion and all employee personnel activities.

PGW's Management Team is committed to ensuring that the company's employee population reflects the service territory. Management is directly responsible for providing a workplace environment that encourages employees to achieve their greatest potential and contribute to the operations of the company, without regard to race, color, religion, sex, age, national origin, disability or sexual orientation. The company will do all that is reasonable to promote a work environment that is free of any form of discrimination, harassment or intimidation and encourages mutual respect among all employees.

In 2015 each member of PGW's management attended a three hour diversity training session along with a mandatory five part Equal Employment Opportunity Commission (EEOC) training session provided by the EEOC. Every employee at PGW receives sexual harassment awareness training and the company's Employee Utilization Committee focuses on helping the disabled, both on or off the job, back to work.

## Employee Affinity Groups

PGW supports employee affinity groups as part of its workplace diversity initiative. Employee affinity groups are employer-recognized groups (networking groups) initiated by employees who share a common background, interest and issues. Affinity groups provide opportunities for employees to network and continue their professional growth and development.

## Global Reporting Initiative Index

This report aligns with the Global Reporting Initiative's (GRI) 3.1 guidelines. We've self-declared as a Level C reporter. The index indicates where information can be found in this report or other publicly available sources.

# Profile Disclosures

Indicator	Description	Location				
1.1	Statement from the CEO	President & CEO Message, page 3		3.6	Boundary of the report	This report represents PGW's operations, whether at owned or leased facilities.
2.1	Name of the organization	Front Cover		3.7	State any limitations on the scope or boundary of the report	n/a
2.2	Primary brands, products and/or services	About Us, pages 6-7		3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities	n/a
2.3	Operational structure	Organizational Chart, page 9		3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	n/a, see 3.2
2.4	Location of organization's headquarters	Philadelphia, PA		3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	n/a, see 3.2
2.5	Countries of operation	United States		3.12	Table identifying the location of the Standard disclosures in the report	Global Reporting Initiative Index, pages 23-25
2.6	Nature of ownership and legal form	<a href="#">2015 Audited Financial Report</a>		4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	<a href="#">2015 Audited Financial Report</a>
2.7	Markets served	<a href="#">2015 Audited Financial Report</a>		4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	The 2015 Philadelphia Facilities Management Corporation consists of six members, three men and three women.
2.8	Scale of the reporting organization	<a href="#">2015 Audited Financial Report</a>		4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	<a href="#">2015 Audited Financial Report</a>
2.9	Significant changes during the reporting period regarding size, structure or ownership	<a href="#">2015 Audited Financial Report</a>		4.14	List of stakeholder groups engaged by organization	Customers, employees, community organizations and industry groups. See Community Engagement and People & Culture sections for further examples.
2.10	Awards received in the reporting period	Named "Fit Friendly Workplace Award" from The American Heart Association Named Most "Diversified Company" by Diversity Careers Certificate of Achievement for Excellence in Financial Reporting for the Consolidated Annual Financial Report by the Government Finance Officers Association of the U.S. and Canada		4.15	Basis for identification and selection of stakeholders with whom to engage	Our field employees, which represent approximately two thirds of our workforce, are at the front lines of our stakeholder engagement in their communities.
3.1	Reporting period	Calendar year 2015				
3.2	Date of most recent previous report	n/a, 2015 inaugural year				
3.3	Reporting cycle	Annual				
3.4	Contact point for questions regarding the report or its contents	<a href="mailto:Feedback@pgworks.com">Feedback@pgworks.com</a>				
3.5	Process for defining report content	PGW's corporate responsibility team. The team reviewed input from stakeholders and aligned report in accordance with GRI guidelines. Stakeholders expected to use the report include our employees, potential employees, customers and external stakeholders.				



## Contact Us

### EMERGENCY HOTLINE: (215) 235-1212

If you smell gas or have an unsafe condition, call immediately, at any time.

### CUSTOMER SERVICE

Monday - Friday, 8 a.m. to 6 p.m.

If you call regarding your bill, please have your account number ready.

(215) 235-1000 Billing, Special Programs & General Information

(215) 235-1777 Payment Assistance

(215) 235-2050 Appliance Service & Gas Turn-on

(215) 235-2050 PGW Parts & Labor Plan

(215) 235-2244 Request a Meter Reading

(215) 684-6700 Convert to Natural Gas

(215) 236-4646 Hearing Impaired Line (TTY)

(215) 235-2175 Información y Servicio en Español

### OTHER IMPORTANT NUMBERS

(215) 684-6383 Report the theft of gas 24-hours-a-day, 7-days-a-week. Your call is confidential. Gas theft endangers others.

8-1-1 Call before you dig. Contact the 24-hour PA one-call system.

(215) 684-6535 Claims

9-1-1 Guard Against Imposters

### IN THE COMMUNITY

If you would like PGW to attend your next community event, to speak or provide information on energy efficiency, grant programs and/or customer assistance programs, contact our Community Hotline at (215) 684-6901 or [community@pgworks.com](mailto:community@pgworks.com).

Founded in 1836, Philadelphia Gas Works (PGW) is owned by the City of Philadelphia and is the largest municipally owned gas utility in the country. It manages a distribution system of approximately 6,000 miles of gas mains and service pipes supplying approximately 500,000 customers. PGW's operations are managed by a non-profit corporation, the Philadelphia Facilities Management Corporation (PFMC). More information about the company is available at [www.pgworks.com](http://www.pgworks.com).



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PhillyGasWorks



[www.pgworks.com](http://www.pgworks.com)



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Philadelphia Gas Works  
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Philadelphia, PA 19122