

WHISTLEBLOWING POLICY

(Version 2.3 March 2022)

WHISTLEBLOWING POLICY

<u>SECTION</u>	<u>CONTENTS</u>	<u>PAGE</u>
1.	EFFECTIVE DATE	2
2.	PURPOSE	2
3.	GENERAL POLICY	2
4.	MISCONDUCT, MALPRACTICE AND IRREGULARITY	3
5.	PROTECTION FOR WHISTLEBLOWERS	4
6.	CONFIDENTIALITY	4
7.	REPORTING CHANNELS	5
8.	ANONYMOUS REPORT	6
9.	INVESTIGATION	7
10.	UNTRUE REPORT	8
11.	RECORD RETENTION	8
12.	RESPONSIBILITY FOR IMPLEMENTATION AND MONITORING	8
13.	REVISIONS OF WHISTLEBLOWING POLICY	8
14.	LANGUAGE	8
	APPENDIX 1 – WHISTLEBLOWING REPORT TEMPLATE	9

WHISTLEBLOWING POLICY

1. **EFFECTIVE DATE**

1.1 This policy is effective on 21 August 2018.

2. **PURPOSE**

2.1 This policy applies to The Hong Kong and China Gas Company Limited (the “Company”) (stock code: 003), Towngas Smart Energy Company Limited (“Towngas Smart Energy”) (stock code: 1083) and their subsidiaries, joint ventures or companies in which the Company or Towngas Smart Energy holds a controlling interest (collectively the “HKCG Group”).

2.2 The HKCG Group is committed to maintaining good corporate governance, emphasizing accountability and high degree of transparency which enable our stakeholders to have trust and faith in the HKCG Group to take care of their needs and to fulfill its social responsibility. In line with this commitment, the HKCG Group expects and encourages its employees and other parties who deal with the HKCG Group (e.g. customers, contractors, suppliers, creditors and debtors, etc.) (“Other Stakeholders”) to report any misconduct, malpractice or irregularity within the HKCG Group.

2.3 This policy aims to provide reporting channels and guidance on reporting possible improprieties in matters of financial reporting or other matters, and reassurance to persons reporting his or her concerns under this policy (“Whistleblowers”) of the protection that the HKCG Group will extend to them against unfair disciplinary action or victimization for any genuine reports made.

3. **GENERAL POLICY**

3.1 “Whistleblowing” refers to a situation in which an employee or Other Stakeholder decides to report serious concerns about any suspected misconduct, malpractice or irregularity within the HKCG Group. See Section 4 of this policy for examples of misconducts, malpractices or irregularities. This policy is intended to encourage and assist the Whistleblowers to disclose information relevant to suspected misconduct, malpractice or irregularity through a confidential reporting channel (to the extent possible). The HKCG Group will handle the reports with care and will treat the Whistleblowers’ concerns fairly and properly.

WHISTLEBLOWING POLICY

4. **MISCONDUCT, MALPRACTICE AND IRREGULARITY**

- 4.1 It is impossible to give an exhaustive list of the activities that constitute misconduct, malpractice or irregularity covered by this policy. The HKCG Group expects all employees and Other Stakeholders to observe and apply principles of ethics in the conduct of the HKCG Group's business or in dealing with the HKCG Group respectively. Behavior that is not in line with the principles of ethics could constitute a misconduct, malpractice or irregularity that should be reported.
- 4.2 The principles of ethics include but are not confined to:
- No fraudulent or corrupt conduct;
 - Compliance with the HKCG Group's policies and procedures (e.g. Employees' Code of Conduct);
 - Compliance with laws, rules and regulations;
 - Compliance with financial controls and reporting requirements;
 - Protection of information, records and assets;
 - Prompt response to incidence and obligation to notify;
 - Compliance with the health, safety and environment requirements;
 - No harmful, discriminatory or retaliatory action taken against a Whistleblower for having made a report under this policy; and
 - No deliberate concealment of information concerning any of the matters listed above.
- 4.3 Please note that complaints related to customer services or products, as well as loss of properties on the HKCG Group premises or under the HKCG Group's custody, are normally not reported under this policy, unless they involve misconduct, malpractice or irregularity as listed above. Otherwise, they are handled by the relevant functions (e.g. customer service or security).

WHISTLEBLOWING POLICY

5. PROTECTION FOR WHISTLEBLOWERS

- 5.1 Whistleblowers making genuine and appropriate reports are assured of fair treatment. In addition, employees of the HKCG Group are also assured of protection against unfair dismissal, victimization or unwarranted disciplinary action.
- 5.2 The HKCG Group reserves the right to take appropriate actions against anyone (employees or Other Stakeholders) who initiates or threatens to initiate retaliation against the Whistleblowers. In particular, employees who initiate or threaten retaliation will be subject to disciplinary actions, which may include summary dismissal.

6. CONFIDENTIALITY

- 6.1 The HKCG Group will make every effort to keep the Whistleblower's identity confidential. In order not to jeopardize the investigation, the Whistleblower is also required to keep confidential the fact that he or she has filed a report, the nature of concerns and the identities of those involved.
- 6.2 There may be circumstances in which, because of the nature of the investigation, it will be necessary to disclose the Whistleblower's identity. If such circumstances exist, the HKCG Group will endeavor to inform the Whistleblower that his or her identity is likely to be disclosed.
- 6.3 Should an investigation lead to a criminal prosecution, it may become necessary for the Whistleblower to provide evidence or be interviewed by relevant authorities.
- 6.4 In some circumstances, the HKCG Group may have to refer the matter to relevant authorities without prior notice or consultation with the Whistleblower.

WHISTLEBLOWING POLICY

7. **REPORTING CHANNELS**

- 7.1 In general, the Whistleblowers should make their reports to the Head of Corporate Audit & Risk Management of the HKCG Group in writing by post in a sealed envelope clearly marked “To be opened by addressee only” at: -

Hong Kong Office

Head of Corporate Audit & Risk Management of the HKCG Group
The Hong Kong and China Gas Company Limited
14/F, 363 Java Road,
North Point, Hong Kong

or

PRC Office

Head of Corporate Audit & Risk Management of the HKCG Group
Hong Kong & China Gas Investment Limited
17/F, Tower B,
China Merchants Centre, No. 333 Liyuan Road,
Luohu District, Shenzhen

- 7.2 A report may also be submitted to the Head of Corporate Audit & Risk Management of the HKCG Group via the following email addresses:
- i. For matters relating to the Hong Kong core business and other businesses (including telecommunications, manufacturing and U-Tech businesses, etc) - HKCG.whistleblower@towngas.com
 - ii. For matters relating to ECO businesses - ECO.whistleblower@towngas.com
 - iii. For matters relating to Mainland Utilities businesses (including Hong Kong & China Gas Investment Limited and Towngas Smart Energy businesses, etc) - GangHua.whistleblower@towngas.com
- 7.3 To facilitate the handling of the reports, a standard template (Whistleblowing Report Template) is attached in Appendix 1 of this policy for reference.

WHISTLEBLOWING POLICY

7. **REPORTING CHANNELS (CONT'D)**

7.4 If the concerns raised involve a Director or an Executive Committee member of the Company or Towngas Smart Energy, or the Head of Corporate Audit & Risk Management of the HKCG Group, the Whistleblowers may, at their own discretion, choose to report directly to the respective Chairman of the Board Audit and Risk Committee of the Company and Towngas Smart Energy by post at the same addresses above, or via the following email addresses:

- i. Chairman of the Board Audit and Risk Committee of the Company - BAC.Chairman.HKCG@towngas.com
- ii. Chairman of the Board Audit and Risk Committee of Towngas Smart Energy - BAC.Chairman.1083@towngas.com

7.5 While the HKCG Group does not expect the Whistleblower to have absolute proof of the misconduct, malpractice or irregularity reported, the report made under this policy should show the reasons for the concerns.

7.6 Any business units or functions in receipt of a report alleging any of the misconduct, malpractice or irregularity as stated in Section 4 of this policy shall redirect the report to the Corporate Audit & Risk Management Department ("CARD"). The HKCG Group will handle such report in the same manner as stipulated in this policy.

8. **ANONYMOUS REPORT**

8.1 As the HKCG Group takes reporting of misconducts, malpractices and irregularities seriously and wants to conduct warranted investigations of both potential and actual violations, anonymous reports in general will not be acted upon. Therefore, it is strongly recommended that the report should not be made anonymously.

WHISTLEBLOWING POLICY

9. **INVESTIGATION**

- 9.1 Upon receipt of a report through the channels described in Section 7 of this policy, a Screening Committee, including the CARD, will evaluate the validity and relevance of the concerns raised, and to decide if a full investigation is necessary. If an investigation is warranted, an Investigation Team will be appointed by the Screening Committee to look into the reported matter.
- 9.2 The format and length of an investigation will vary depending upon the nature and particular circumstances of each report made. The matters raised may:
- be investigated internally;
 - be referred to the external auditors;
 - be referred to the relevant public bodies or regulatory/law enforcement authorities; and/or
 - form the subject of any other actions as the Board Audit and Risk Committee (“BARC”) may determine in the best interest of the HKCG Group.
- 9.3 If there is sufficient evidence to suggest that a case of possible criminal offence or corruption exists, the matter will be reported by the CARD to relevant local authorities (for instance, the Independent Commission Against Corruption in Hong Kong, the Public Security Bureau in China, etc).
- 9.4 In some situations (e.g. in case of possible criminal offence), the CARD may have to refer the matter together with the relevant information to relevant authorities. Please note that once the matter is referred to relevant authorities, the HKCG Group will not be able to take further action on the matter.
- 9.5 Upon completion of the investigation, a report, including its impact and action plan, as applicable, will be prepared without revealing the identity of the Whistleblower. For confirmed violations of principles of ethics, the normal process is for the responsible line management (with the assistance of e.g. Human Resources representatives) to determine what disciplinary and other appropriate actions are needed. After review by the CARD, a recommendation will be made to the relevant Executive Committee for final decision on the actions required.
- 9.6 The Whistleblower will be informed of the final results of the investigation, wherever reasonably practicable.

WHISTLEBLOWING POLICY

10. UNTRUE REPORT

- 10.1 If a Whistleblower makes an untrue report maliciously, with an ulterior motive, or for personal gain, the HKCG Group reserves the right to take appropriate actions against any relevant person (including the Whistleblower) to recover any loss or damage as a result of the untrue report. In particular, employees may face disciplinary action, including dismissal where appropriate.

11. RECORD RETENTION

- 11.1 Records shall be kept for all reported misconducts, malpractices and irregularities in the HKCG Group under Section 7 of this policy. In the event a reported case leads to an investigation, the party responsible for leading/conducting the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken for a period not exceeding six years (or whatever other period may be specified by any relevant legislation).

12. RESPONSIBILITY FOR IMPLEMENTATION AND MONITORING

- 12.1 This policy has been approved and adopted by the respective Board of Directors of the Company and Towngas Smart Energy. The respective BARC has overall responsibility for implementation, monitoring and periodic review of this policy. In addition, the respective BARC has delegated the day-to-day responsibility for administration of the policy to the Head of Corporate Audit & Risk Management of the HKCG Group.

13. REVISIONS OF WHISTLEBLOWING POLICY

- 13.1 The respective BARC shall be vested by the Board with the full power to implement, monitor, review, update and revise this policy.

14. LANGUAGE

- 14.1 The policy is prepared in both Chinese and English languages. In case of any discrepancies between the Chinese and English versions, the English version shall prevail.

WHISTLEBLOWING POLICY (Version 2.3 March 2022)

TO BE OPENED BY ADDRESSEE ONLY

WHISTLEBLOWING REPORT TEMPLATE

The HKCG Group is committed to maintaining good corporate governance, emphasizing accountability and high degree of transparency which enable our stakeholders to have trust and faith in the HKCG Group to take care of their needs and to fulfill its social responsibility.

The Whistleblowing Policy has been established to encourage and assist Whistleblowers to disclose information relevant to misconducts, malpractices or irregularities through a confidential reporting channel (to the extent possible). The HKCG Group will handle this report with care and will treat the Whistleblower's concerns fairly and properly.

If you wish to make a report, please use this report template. Once completed, this report becomes confidential. You may send the report, in a sealed envelope clearly marked "To be opened by addressee only" and addressed to the Head of Corporate Audit & Risk Management of the HKCG Group, by post to the relevant addresses below or by email to "HKCG.whistleblower@towngas.com", "ECO.whistleblower@towngas.com" or "GangHua.whistleblower@towngas.com".

Please read the Whistleblowing Policy carefully before you fill in this template.

To: Head of Corporate Audit & Risk Management of the HKCG Group *	
Hong Kong Office The Hong Kong and China Gas Company Limited 14 th floor, 363 Java Road, North Point, Hong Kong	PRC Office Hong Kong & China Gas Investment Limited 17/F, Tower B, China Merchants Centre, No. 333 Liyuan Road, Luohu District, Shenzhen
Your Name/Contact Telephone Number and Email Anonymous reports in general will not be acted upon. Therefore, it is strongly recommended that the report is not made anonymously.	Name: _____ Employee <input type="checkbox"/> Other Stakeholder <input type="checkbox"/> (please specify: _____) Address: _____ Tel No: _____ Email: _____ Date: _____
Details of concerns: Please provide full details, such as names, dates and places and the reasons for the concerns (continue on separate sheet if necessary) together with any supporting evidence.	
<u>Personal Information Collection Statement</u> <i>All personal data collected will only be used for purposes which are directly related to the whistleblowing case you reported. Any anonymous reports not supplying such personal data in general will not be acted upon. Therefore, it is strongly recommended that the report should not be made anonymously. The personal data submitted will be held and kept confidential by the HKCG Group and may be transferred to parties with whom we will contact during our handling of this case, including the party being complained against or other parties concerned. The information provided may also be disclosed to law enforcement authorities or other concerned units. Where relevant, under the Personal Data (Privacy) Ordinance of Hong Kong, you shall have the right to request access to and correction of your personal data. If you wish to exercise these rights, requests should be made in writing to the Head of Corporate Audit & Risk Management of the HKCG Group at Hong Kong address shown in this template.</i>	

* If the concerns raised involve a Director or an Executive Committee member of the Company or Towngas Smart Energy, or the Head of Corporate Audit & Risk Management the HKCG Group, you may, at your own discretion, choose to report directly to the respective Chairman of the Board Audit and Risk Committee of the Company and Towngas Smart Energy by post at the same addresses above, or by email to "BAC.Chairman.HKCG@towngas.com" or "BAC.Chairman.1083@towngas.com".