

APPENDIX 2: ENVIRONMENTAL POLICY

Our Purpose

The Hong Kong and China Gas Company Limited (the “Company”) and its subsidiaries (collectively the “Group”) pledge to make every effort to protect the environment and ensure sustainable development. All our project companies, associates, suppliers and business partners are encouraged to make reference to the principles of this policy, where applicable.

Our Commitment

The Group is committed to:

- Complying with all relevant laws, regulations and standards in relation to environmental topics at its business operation;
- Protecting the environment by minimising the risks and impacts to the environment;
- Undergoing environmental assessments and regular review audit exercises, and implementing effective environmental management system for all major projects;
- Exploring innovative solutions with our partners in our value chain to protect the environment, reduce energy and resources usage, improve air quality, transit towards a circular economy and conserve biodiversity;
- Consulting with stakeholders on environmental issues on a regular basis;
- Promoting environmental awareness and consciousness among stakeholders through education and training; and
- Monitoring and reporting regularly on environmental performance through the Company’s ESG report, website, social media or other communication channels.

Energy

The Group strives to supply clean energy and use energy efficiently to drive energy decarbonisation. We aim to reduce energy consumption throughout our operational cycle and whole value chain via the use of energy efficient products, monitor energy performance data and leverage technology to drive energy efficiency improvement continuously.

Resources Management

The Group strives to use natural resources efficiently and minimise waste generation through the following measures:

- Adopt sustainable purchase practices and select products that are certified by recognised standards (e.g. Forest Stewardship Council (FSC));
- Manage waste through the “5R” principle of Replace, Reduce, Reuse, Recover and Recycle, not only within our operations but also along our value chains; and
- Reduce water consumption through measures such as promoting water saving awareness, upgrading water efficient appliances and fixtures, increasing water recycling rate, etc., in our operations and production processes.

Air Quality Management

The Group strives to improve air quality by adopting cleaner fuel sources and upgrading our infrastructure in order to reduce air pollutants such as nitrogen oxides (NO_x) and sulphur oxides (SO_x).

THE HONG KONG AND CHINA GAS COMPANY LIMITED

Biodiversity

The Group strives to maintain, enhance, conserve biodiversity and ecosystem, and commits to eliminating deforestation for our own operation activities.

The Group follows the below four principles to minimise impact on biodiversity and to consider biodiversity in planning during our whole operational cycle:

- Avoid areas rich in biodiversity or close proximity to World Heritage areas and International Union for Conservation of Nature ([IUCN](#)) Category I-IV protected areas;
- Mitigate our impacts through innovation;
- Use mitigation and offset measures during construction; and
- Promote biodiversity awareness.