

APPENDIX 5: CODE OF PRACTICE FOR SUPPLIERS

Our Purpose

The Hong Kong and China Gas Company Limited (the “Company”) and its subsidiaries (collectively the “Group”) expect our suppliers to follow this code of practice (“Code”). Suppliers are encouraged to promote relevant activities and follow this Code with regard to their business ethics, workplace operations, marketplace activities, community contact and environment undertakings. All our project companies, associates and business partners are encouraged to make reference to the principles of this Code, where applicable.

Our Commitment

The Group is committed to encourage and promote the following aspects to suppliers.

Business Ethics

Supplier should maintain a high standard of ethics, including:

- Business Integrity - Total integrity is expected in all business transactions;
- No Improper Advantage - Bribes or other improper advantages are not to be offered or accepted;
- Disclosure of Information - Information regarding business activities, structure, financial status and performance should only be disclosed in accordance with applicable regulations and laws; and
- Fair Business and Competition - Fair trade and competition should be upheld.

Working Operations

The workplace refers to the activities that define the supplier's relationships with its employees, including:

- Anti-discrimination Policies - An equal opportunity policy should be in place and adhered to. This means providing a working environment that is free from gender, religious and racial discrimination. A mechanism to handle complaints concerning equal opportunity grievances should exist;
- Staff Training and Development - Good training and development practices should be followed to enhance staff competence;
- Wages and Benefits - Compensation paid to workers should comply with all applicable wage laws and legally mandated benefits. Staff welfare should be provided;
- Working Hours and Rest Days - Legislation pertaining to working hours and rest days should be strictly adhered to;
- Child Labour and Forced Labour - Child labour and forced labour are not acceptable regardless of whether in a factory, office or other company locations;
- Health and Safety - Occupational health and safety policies should be in place to ensure the good health and safety of employees and these should be complied with by all parties. Training on health and safety should also be provided; and
- Freedom of Association and Human Rights - Employees should have the legal right to participate in labour unions. The supplier should comply with both local and international laws on human rights. Compliance with local statutory requirements is expected or, if there are no applicable laws in the country, international guidelines should be followed.

THE HONG KONG AND CHINA GAS COMPANY LIMITED

Marketplace Activities

Marketplace activities define the supplier relationships with its partners and users as well as others in its sphere of influence, including:

1. Suppliers

Suppliers should seek to influence their business partners in the supply chain to follow the same practices as laid down in this Code.

It is also encouraged suppliers to have their sustainable procurement policy in place for their own suppliers, and/or policies on managing environmental and social risks of their own supply chain.

2. Customers

Relevant components should be taken into consideration when dealing with customers such as:

- Providing Accurate Information on Products or Services - False or incorrect expressions and descriptions that may mislead should not be used;
- Helping to Protect the Environment - Provision of environmentally-friendly products and packaging should be used wherever possible;
- Handling Complaints in a Timely Manner - An appropriate mechanism should be established to ensure that customers' complaints are dealt with fairly and quickly; and
- Ensuring Data Protection - Customer data should be protected from unauthorised access and use.

Community Contact

Suppliers should be proactive in finding opportunities to serve the community alongside their own business, including:

- Encouraging Employee Volunteer Activities - Suppliers should support employees volunteering for community activities and facilitate such endeavours; and
- Social Contributions - Suppliers should help the underprivileged of society through promotion of different schemes and wherever possible consider employing the disabled.

Environment Undertakings

Practices to conserve natural resources and improve the environment should be followed by suppliers, including:

- Implementing Environmental Policies and Management Systems - Suppliers should take every opportunity to carry out their business activities in a sustainable manner;
- Minimising Waste - Services and products should be produced and delivered so as to reduce waste and minimise pollution; hazardous substances should be properly controlled and replaced by alternatives if available. Sewage and production waste must be disposed of in an environmentally acceptable way in compliance with local laws and regulations;
- Operating Energy-efficient Schemes - Suppliers are encouraged to develop, design and conduct activities taking into consideration the efficient use of energy and materials; and
- Adhering to Environmental Regulations - Suppliers should carry out business in accordance with legislation and Codes of Practice, to preserve the environment in the countries in which they operate.