

行爲守則

Code of Conduct

適合於煤氣公司及其聯營業務

Applicable to Towngas & its affiliated businesses



香港中華煤氣有限公司
The Hong Kong and China Gas Company Limited

April 2024

Introduction	3
I. Business Engagement	5
1. Business Ethics	5
2. Insider Dealings	8
3. Gifts and Entertainment	9
4. Fair Dealing and Competition	11
II. Responsibilities to Stakeholders	12
1. Quality	12
2. Health, Safety and Environment	12
3. Corporate Communications	12
4. Use of Public Communication and Social Media	13
5. Procurement Policy	14
6. Concurrent Employment, Shares Holding and Outside Appointments	15
III. Establishment of Harmonious Workplace	16
1. Equal Employment Opportunities	16
2. Employees' Identification	18
3. No smoking at Work	19
4. Consumption of Alcohol and Drug	20
5. Gambling	21
6. Employment of Close Relatives	21
7. Use of Company Vehicles	22
8. Personal Mail, Electronic Facilities and Telephone System	22
9. Handling of Personal Data	22
10. Information Classification	23
11. Protection of Information	23
12. Use of Licensed software and Electronic Information Protection	24
13. Intellectual Property	24
14. Fund Raising	25
15. Community Activities, Political Involvement and Activities of Employees' Association	25
16. Employees' Obligations	26
17. Disciplinary Procedures	26
IV. Corporate Governance	26
1. Grievance Procedures	27
2. Compliance with the Code of Conduct	27
3. Whistle-blowing Policy	27
4. Interpretation and Amendment of the Code	32
Frequently Asked Questions	33
Appendix 1 – Information Classification Policy	36
Appendix 2 - Whistle-blowing Report Template	39

Introduction

The Hong Kong and China Gas Company Limited has been a renowned name throughout Hong Kong for more than a hundred years, providing necessary energy supply to the public. The Company's reputation for its integrity and honesty has gained its position as one of the important public utilities in Hong Kong.

This booklet sets out a Code of Conduct for employees so they may acquaint themselves with all relevant policies and procedures. No matter whether employees are offered or give gifts or involved in any other obligation that may potentially constitute a conflict of interest, employees should be aware of the necessity for ethical decision-making in the course of discharging their duties.

The Company is proud of the public's trust but recognizes this is not a given but something we need to earn. We can only retain our reputation and the community's confidence if we scrupulously apply the highest level of ethical standards in carrying out our duties.

The Company reserves the right to modify or revoke the Code in whole or in part. Any changes will be notified to employees via the TGWiki and through e-mail. Notification will also be by display on notice boards.

This Code of Conduct is based on the nine core values of the Group. It is paramount that we must include and reflect these core values in everyday business life.

Core Values

1. Leadership

Proactively drive innovation and development, and lead the team towards greater heights.

2. Versatility

Preemptively develop a wide range of professional skills to allow swift responses to challenges ahead.

3. Safe and Reliable

Committed to ensuring safety and compliance, as well as delivering quality and reliable products and services.

4. Vision

Be proficient in having a comprehensive overview of the big picture, and sharpen insight for the ever-changing market.

5. Innovation

Foster flexible and creative mindset, and be courageous to explore innovative solutions.

6. Customer-oriented

Always listen to customers' needs and never stop enhancing customer experience.

7. Positive Communication

Establish effective two-way communication to foster honest dialogues.

8. Teamwork

Cultivate the team spirit of mutual collaboration, and build a high-trust and cohesive team.

9. Result-driven

Emphasize concrete and measurable outcomes, and achieve agile execution.

For proper decision making, employees should observe the Code when performing their daily duties. However, as the Code does not spell out the appropriate behavior for every situation, employees are suggested to consider the following aspects:

1. Scope of the Code

Employees should read through the Code carefully to identify the appropriate measures to follow in order to determine proper decisions which align with the core values and corporate image of the Group.

2. Seek further advice

Employees should consult their supervisors and concerned colleagues for further advice and to collect comprehensive information to derive the informed decisions.

3. Authority

Employees should understand their job responsibilities and authority at work. They should evaluate the consequence of their decisions and pass the issues to colleagues who are authorized to make a decision when necessary.

4. Open discussion

Employees should consider the outcomes of the decisions, and to balance the personal interest or views and the group interest. Employees should ensure that the decisions made will not be perceived by the public as involving conflict of interest.

5. Role Model

Employees should evaluate the impact and influence of the decisions to their working partners and if any ambiguity is identified. Employees should ensure that the decisions made can be regarded as a good example in the future.

I. Business Engagement

1. Business Ethics

The Company believes that respects to laws, honesty and fair competition are our keys to maintain our competitive advantages in the market. In this regard, giving and accepting bribe is strictly forbidden among all employees. Employees must not request any advantage from and/or offer any advantage to people who have a stake in our business, e.g. customers, suppliers, contractors, regulators and legislators, authorities and other business partners. Without prior approval from supervisors or the Company, all employees are not allowed to give or offer any advantage to influence these stakeholders.

The Company also prohibited all employees to give and accept illegal advantages to and from others and all employees should strictly observe the relevant laws and regulations.

Any employee found to be in breach of these laws may be summarily dismissed. Furthermore, the Company will report any illegal acts to concerned authorities.

Prevention of Bribery Ordinance

According to the Prevention of Bribery Ordinance, The Hong Kong and China Gas Company Limited is a public body and it is governed by the Prevention of Bribery Ordinance. The Ordinance sets out the minimum standards of integrity for employees when they are conducting business on behalf of the Company. All employees should be aware that the Ordinance states:

- Any employee of public bodies who solicits or accepts any advantage as an inducement to or reward for performing duties shall be guilty of an offence; the offeror of the advantages shall also be guilty of an offence (Section 4)
- Any employee of public bodies who solicits or accepts any advantage as an inducement to or reward for giving assistance or using influence in matters relating to contracts, tenders and auctions shall be guilty of an offence; the offeror of the advantages shall also be guilty of an offence (Section 5,6,7)
- The offering of an advantage to any employee of a public body while having dealings of any kind with the public body is prohibited (Section 8)
- Any employee who uses any receipt, account or other document which contains any false or erroneous or defection statement to intentionally mislead the employer with intent to deceive shall be guilty of an offence (Section 9)

Any employee found to be in breach of this rule may be summarily dismissed. Furthermore, a report will also be made to the Independent Commission Against Corruption (ICAC).

Advantages

Advantages refer to money, gifts, loans, fees, rewards or commissions, remunerations, titles, contracts, appointments, services and privileges, etc. Employees shall refer to the Prevention of Bribery Ordinance (Cap. 201) for the complete meanings of “advantages” under the Ordinance.

Conflict of Interest

Conflict of interest arises when the personal interests of employees compete or conflict with the interests of the Company.

- All employees are responsible for not involving in situations with actual or potential conflict of interests
- Without the approval from the Company, all employees are not allowed to receive or ask for personal interests related to their job assignments
- If employees or their immediate family members (including parents, spouse or children) are involving or planning to engage in any appointment, investment or business engagement that may cause the actual or potential conflict of interests, employees are obliged to seek written approval from their supervisors

- All employees, who are in the decision making process in a meeting, discover any actual or potential conflict of interests, should report to the meeting chairman for further advice on their participation in the meeting and relevant assignments
- All employees, who may encounter actual or potential conflict of interests when performing their duties, should consider the public's perception before making the decision and taking action

If employees believe a conflict of interests has arisen or may arise, they should immediately make a written declaration to their supervisors (or Group Human Resources Department if personal sensitive information is involved) outlining the circumstances. Concerned employees should not handle or become involved with such matters, including attending meetings, thereafter unless they have received approval from their department head.

Use of Proprietary Information

Employees are not allowed at any time to disclose any proprietary information to anybody outside the Company without permission. Such information may relate to all aspects of the Group's / Company's operations.

Financial Transactions

All employees or their family members (including but not limited to parents, children, brothers, sisters or spouse) will not grant or guarantee a loan to, or accept a loan from or through the assistance of any individual or organization having business dealings with the Company. There is, however, no restriction on normal loans from banks or financial institutions.

Misuse of the Company's Assets and Resources

Employees have an obligation to ensure that any Company's properties allocated to them are for business use only. Resale of raw materials, products, waste and other assets is considered a criminal of theft and liable to summary dismissal and prosecution.

Audit and Enforcement

Employees should consult their department head or Group Human Resources Department if they have any enquiries regarding this business ethics policy and its enforcement.

In order to ensure that auditing and enforcement is properly observed and implemented, Group Human Resources Department is empowered to conduct regular management audits and require employees to sign a "No Conflict of Interest Declaration" at least once a year.

Employees are obliged to report to their supervisors if they realize any actual or potential conflict of interests in their daily operation.

2. Insider Dealings

Insider dealings happen when:

1. Insider of a listed company (e.g., Company Directors, staff or auditors, etc.) obtains non-public price sensitive “relevant information” [note 1], which can significantly affect the price of the listed securities [note 2] if the information is made available to the public. With possession of this relevant information, insiders attain benefits or investment gain or avoid losses through their dealing in or counselling or procuring another party to deal in the listed securities of the Group or its subsidiary companies or its affiliated entities.
2. Any persons who obtain non-public price sensitive relevant information through the insiders of a listed company and with possession of this relevant information, they attain benefits or investment gain or avoid losses through their dealing in or counselling or procuring another party to deal in the listed securities of the Group or its subsidiary companies or its affiliated entities.

Employees are prohibited to disclose the relevant information (including the non-public price sensitive information) of the Group, its subsidiary companies (or its affiliated entities) to another party or make use of this information for personal or other parties’ benefits or investment gain or avoiding losses through the following ways:

1. To deal in, counsel or procure another party to deal in the listed securities of the Group or its subsidiary companies’ or its affiliated entities; or
2. To divulge or disclose information, either directly or indirectly, to other persons who may deal in, counsel or procure another party to deal in the listed securities of the Group or its subsidiary companies or its affiliated entities

When employees have access to the relevant information, they should avoid having any dealing in the listed securities of the Group or its subsidiary companies or its affiliated entities with any person (including family members and relatives). They should also avoid having the mentioned dealing with another listed company which may have connection to the relevant information. Any inappropriate dealing and misconduct should be prohibited.

The Group and its subsidiary companies should establish its own “Standard Practice” in accordance with its local laws and regulations, and urge the “relevant employees” who are accessible to the non-public price sensitive relevant information in their course of employment, to observe and follow the Standard Practice when discharging their duties. The Standard Practice should cover the important regulations and guidelines regarding dealing of securities, for example, the existence of the blackout period or not, etc.

Any employee who is found involved or engaged in insider dealing will be summarily dismissed. The Company will report any illegal acts to concerned authorities.

Note 1: According to the Hong Kong’s *Securities and Futures Ordinance*, “relevant information” in relation to a corporation, means specific information about (a) the corporation; (b) a shareholder or officer of the corporation; or (c) the listed securities of the corporation or

their derivatives, which is not generally known to the persons who are accustomed or would be likely to deal in the listed securities of the corporation but which would if it were generally known to them be likely to materially affect the price of the listed securities;

Note 2: Securities include but not limited to shares, stocks, debentures, loan stocks, funds, bonds, notes, and its relevant options, interests, warrants to subscribe, structured products and other derivatives, etc.

3. Gifts and Entertainment

In the course of business operation, business partners of the Company will give gifts or offer entertainment to our employees and/or their family members out of courtesy and relationship building. The Company forbids employees to receive any cash or cash coupon (including shopping voucher) from any business partners. To maintain their integrity and honesty at work, this policy is to provide guidelines for employees to follow when they are offered gifts and entertainment. Employees are also advised to take note of the public perception and the potential conflict of interests in the acceptance of gift and entertainment.

Definition of Gifts

A gift is defined as and includes anything of value, a loan, a commission, a fee, a reward, a title, a contract, employment, services or favour of any kind.

Giving Gifts and Providing Entertainment

Employees should not give customers or stakeholders any gift if it could be or could be seen by others as a consideration for an official or business favour. Entertainment should not be offered to customers or business partners without authorization from the relevant department head.

Accepting Gifts and Entertainment

Employees should not accept, or allow their family members to accept gifts or anything of value (including entertainment) from customers or business partners, regardless of the intention of the givers and whether this could be seen as compromising the employees' business judgment.

Gifts may be accepted when permitted under applicable policy if they are:

1. Customary and reasonable meals and entertainment at which the giver is present (e.g. occasional business meals or sporting events), and which are not lavish, excessive in nature or frequently proffered. Employees should be aware of the public perception towards their acceptance of the hospitality and the potential conflict of interest issue.
2. Non-cash gifts with a nominal value of less than HK\$500 if the gifts are offered out of courtesy or business etiquette. When employees receive any gift at value higher than the limit, they should report to supervisors at once and within a specific timeframe, to fill in a "[Gift Report Form](#)" for record. Employees should follow the recommended

uses of gifts advised by supervisors. Regular audit reviews will be conducted by Group Audit & Risk Management Department and/or Group Human Resources Department.

3. Under normal circumstances, employees are not allowed to receive cash coupon. But if employees receive shopping vouchers in lucky draw on business occasions or on behalf of the Company, they should follow the guidelines of handling non-cash gifts.
4. Regardless of value, employees are not allowed to receive gift or entertainment from business associates too frequently. To refrain from potential conflict of interest, employees of Corporate Supplies and Administration Department should refuse any gift and entertainment of all value, except commemorative gifts at nominal value or souvenirs distributed to participants in public activities.

Recommended ways of handling of gifts

Employees should follow the recommended uses of gifts advised by supervisors in all possible circumstances. Some recommended uses of gift are listed as follows:

Non-cash gifts

If employees receive any gift above HK\$500, they should complete the “[Gift Report Form](#)” (obtainable at TGWiki) according to the submission deadline suggested in “Gift report submission” below and follow the recommended ways of handling of gift advised by supervisors. Some recommended ways include:

1. Return to givers;
2. For lucky draws in company functions;
3. For company for public use;
4. Display in office as a memento;
5. Donate to charitable organizations;
6. Share with colleagues;
7. Dispose or recycle; or
8. Retained by employees

Non-cash perishable gifts – Festival hampers

If employees receive festival hamper of any value, they should fill in the “[Gift Report Form](#)” for record; when the hamper values over HK\$5,000 or the shared portion for each receiving employee is over HK\$500, employees who are the hamper recipient, should fill in the form and seek their supervisors’ approval and recommended ways of gift handling. Alcoholic beverage in the hamper should be handled separately according to “[Guidelines on handling of alcoholic beverage received by employees](#)”.

Non-cash perishable gifts – Alcoholic beverage

If employees receive alcoholic beverage at any value, they should fill in the “[Gift Report Form](#)” and seek their supervisors’ approval and recommended ways of gift handling. They should not retain it or share it among colleagues but it should be returned to the giver or retained for Company’s use according to the “[Guidelines on handling of alcoholic beverage received by employees](#)”.

Other Non-cash perishable gifts

If employees receive other non-cash perishable gift which values HK\$501 – HK\$5,000, they should fill in the “[Gift Report Form](#)” for record; when the non-cash perishable gift exceeds HK\$5,000 or the shared portion for each receiving employee is over HK\$500, they should fill in the form and seek their supervisors’ approval and recommended ways of gift handling. To refrain from potential conflict of interest, employees and companies within the Group/ Company should not

1. offer expensive gifts and/ or
2. frequent or lavish entertainment to each other.

Gift report submission

Department heads or above have to submit the “[Gift Report Form](#)” and conduct self-approval within 1 month upon acceptance of gift. Following the approval requirements listed above, other employees should submit the “[Gift Report Form](#)” and seek supervisor’s approval within 14 working days after they receive the gifts. All employees receiving festival hampers and other non-cash perishable gifts which value below HK\$5,000 should submit the “[Gift Report Form](#)” within 1 month upon acceptance. Employees should handle the gifts received in accordance to the recommended ways suggested by their supervisors as far as practicable.

In addition, employees appointed to work for other companies in the Group, should observe the relevant guidelines and arrangements regarding gifts and entertainment established by respective companies.

Employees who are uncertain of the appropriateness of accepting gifts or invitations should discuss the matter with their immediate supervisors prior to acceptance. Group Human Resources Department and Group Audit & Risk Management Department should conduct reviews regularly on gift and entertainment.

4. Fair Dealing and Competition

The Company is committed to dealing fairly with its customers, suppliers, competitors and employees. No person may take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts or other unfair dealing practices. We also prohibit anti-competitive practices and shall not engage in any business practice which amounts to unfair competition, i.e. engaging in any activity or business practice whether unilaterally or in conjunction with any other party which is in breach

of any applicable competition law. Employees shall comply with all the applicable laws in that regard.

II. Responsibilities to Stakeholders

1. Quality

The Company's mission is to provide our customers with safe, reliable, clean and smart energy along with quality services, while committed to fulfilling our social responsibility, ensuring sustainable business growth, enhancing our shareholders' return on investment, and bringing long-term benefit for our planet, society, and stakeholders.

The Company is committed to quality at work at all levels. Employees are responsible for ascertaining and striving to satisfy the needs and expectations of customers.

Through effective communication, well-developed team work, training, learning from others, self-appraisal, and empowerment, each employee should try to bring about continuous improvement in the quality of every business activity in which they engage.

2. Health, Safety and Environment

The Company pledges to operate with no risk to the health and safety of its employees, contractors, customers and other stakeholders, to pay effort to protect the environment, to ensure the health and safety at work, and to minimize the risk and influence to the environment. All major projects should undergo health, safety and environment assessments and periodic review audit exercises. Through education and training, employees, contractors and stakeholders should improve their awareness and consciousness of health, safety and environment issues. The Company will comply with relevant legislations, use environmental-friendly materials and technologies, promote recycling and resources conversation in operations.

3. Corporate Communications

The Company is responsible for providing accurate and consistent business information for stakeholders. Employees are required to observe the following when they release Company's information:

Press Releases and Speeches

All statements and public speeches made to the media concerning the Company's policies, stance and business news must be promulgated by the Managing Director, Executive Director or Chief Operating Officer. Delegation is extended to the Head of Group Corporate Affairs if prior approval is granted.

Release of Company's Information to External Bodies

In releasing Company's information to external bodies, department heads and their appointed employees are authorized to release routine information and such matters under the Company's current policy which are not of a confidential or sensitive nature following prior consultation with the Group Corporate Affairs Department.

Accidents or Emergency Situations

In the event of an incident which involves no injury or loss of property, the department heads concerned or their appointed employees are authorized to release information about that incident to relevant parties.

The department heads concerned or their appointed employees are authorized to release any information regarding accidents involving only minor injury following prior consultation with the Group Corporate Affairs Department.

Regarding accidents that involve injury, loss of life or serious loss of property, only department heads concerned or their appointed employees are authorized to release any information that approved beforehand by Managing Director, Deputy Managing Director, Executive Director or Chief Operating Officer and with prior consultation with the Group Corporate Affairs Department.

Publications

Release of technical papers and articles relating to the Company or the industry must be approved beforehand by Managing Director, Deputy Managing Director, Executive Director or Chief Operating Officer, and may be referred to the Group Corporate Affairs Department if there is doubt regarding the content.

4. Use of Public Communication and Social Media

Various public communication means are integrated into everyday life. Use of Emails, Facebook, LinkedIn, Yammer, Instagram, blogging, YouTube and other online media vehicles is changing the way that we communicate and interact with people both inside and outside the Company. The Company recognizes the importance of using online communication media in offering new ways to engage with customers, colleagues, and the world at large.

The following parts are to provide employees with the principles in guiding employees' participation in the online media space, both personally and professionally.

Be Responsible

Employees are personally responsible for the content they publish online. It is recommended to give their identities — name and, when relevant, role within the Company when discussing any activities of the Company. The employees must make it clear that they are speaking for themselves and not on behalf of the Company by using a disclaimer like 'The postings included on this site are my own personal views and do not reflect the views of my company'.

Be Thoughtful

Employees are required to protect the interest and reputation of the Company and as well as themselves. It is critical that they show proper respect for the laws governing copyright and fair use of copyrighted material owned by others, including the Company's own copyrights and brands. When they do make a reference, include a link back to the sources. Employees should not disclose confidential or other proprietary information of the Company's or its employees, customers, suppliers and contractors without proper approval.

Be Respectful

Employees should show their respect to the audience by refraining from using defamatory language or writing in an impolite way. Instead, opinions and ideas should be expressed in a considerate, fair and positive manner and acknowledge that there are differences of opinions. Any comments, agreeable or not, when provided in good faith should be respected. Besides, employees should also respect the privacy of other individuals, whether such individuals are also the employees of the Company or not.

Be Truthful

Information provided by employees on the public communication and social media should be based on real figures or true facts. In addition to this, comments should also be given in fair view.

Employees are reminded that sometimes information can be easily verified on the internet or against other sources. Therefore, if a false statement is made, it is advised to admit and correct it as soon as practicable.

Except those circumstances under which employees are allowed to use or access to online communication media during office hour for carrying out their assigned duties, all employees should understand that this guideline does not serve as or amount to an endorsement of using online communication media by employees during office hours. Instead, employees should ensure that any use of online communication media does not or will not interfere with their jobs or performance of jobs.

No information or data, whether of personal nature or not, that is confidential or proprietary to the Company will be used or disclosed to any third parties without the Company's authorization.

Employees are reminded to adhere to the relevant principles, rules, regulations, policies and procedures as laid down in this Code and in the Company's policies when having their activities on online communication media.

5. Procurement Policy

The Company's policy is to purchase all goods and services on the basis of value for money, quality, reliability of supply and quality of after-sale service. When searching for suppliers, preferences should be given to suppliers who operate a business in an ethical, socially responsible and environmental friendly manner.

The Company encourages open and fair competition in all procurement activities and treats all interested and competent suppliers fairly in all matters. When appropriate, priority should be given to group member companies in order to make the best use of Group's assets.

Employees and suppliers engaged in procurement processes should keep all related information confidential, including the terms and price of the deal, unless otherwise approved by the Company.

6. Concurrent Employment, Shares Holding and Outside Appointments

Employees and their family members should avoid engaging in business, investment or activities that may conflict with the Company's interests in any way, such as being a partner with our dealers/contractors, holding their shares or serving as their directors. Should such a situation arise, employees should make a full declaration of their involvement to their department head to protect themselves against any suspicion of corruption.

To ensure that employees fully focus on their jobs, all full-time and contract employees are not permitted to undertake concurrent employment or contract for services, either full-time or part-time, remunerated or non-remunerated, from outside sources. Employees may be exempted from this policy if they obtain prior written approval from their department head and the Group Human Resources Department. If employees are invited to accept official positions or committee membership by external parties, no matter remunerated or not, they should also inform their supervisors by prior written notice.

III. Establishment of Harmonious Workplace

1. Equal Employment Opportunities

The Company is proactive in promoting equal opportunities and eliminating discrimination act in employment aspects. The Company conforms to the human rights and equal opportunities ordinances corresponding to employment aspects, including recruitment, compensation and benefits, promotion, transfer, training, and termination, etc.

All employees should strictly observe the Equal Opportunities (EO) Policy on Employment. The Company is committed to a policy of recruiting and promoting people on merit regardless of sex, pregnancy, family and marital status, race, colour, ethnic origin, disability, religion etc.

This policy applies to the Company, its affiliated companies and joint venture companies, including its employers, employees and job applicants. Employees cannot discriminate the employees hired by contractors and subcontractors. Employees who are hired by contractors should observe the policy of their respective companies.

The Company is an equal opportunity employer and will not tolerate discrimination acts. The Company and all employees should strictly obey this policy and related ordinances, including <Sex Discrimination Ordinance>, <Disability Discrimination Ordinance>, <Family Status Discrimination Ordinance> and <Race Discrimination Ordinance>. For details, please visit the Equal Opportunities Commission (EOC) website <<https://www.eoc.org.hk/en>>. Employees violating the policy and ordinances will be held responsible for all consequences and subject to disciplinary action.

Vilification and Serious Vilification

Vilification is any activity in public that incites hatred, serious ridicule or contempt of a person because of their disability or race.

Serious Vilification may be constituted if the vilification behavior includes threats of harm or property damage. Serious Vilification is also a criminal offence.

Victimization

Victims can complain about unlawful conduct to employer or EOC. **Victimization** means victims or others are treated harmfully or unfairly because of providing information for a EO related case.

Grievances Procedure for Handling Employment Related EO Issues

To ensure all EO related issues being handled promptly, confidentially and fairly, the Company has appointed Head of Group Human Resources to formulate and review the EO policy and procedures for handling related problems. The Company will not deal with anonymous complaints for the sake of fairness. Should the employee wish to obtain more EO information or understand their rights, please liaise with the Group Human Resources Department.

Related procedures for handling related grievances are shown below. Employee who encounters EO problem(s) may start at any step as appropriate. Not all the steps below are compulsory.

Talk to the person(s) involved proactively

For simple incident, an employee can try to resolve the issues directly with the person(s) involved. If the employee feels uncomfortable or the issues cannot be resolved in this manner, the employee may consider other steps.

Raise the complaints to Department Head

When department head is not involved in the incident, employee may raise the related discriminative act to his/her own department head. Department head has the discretion to involve representative(s) from Group Human Resources Department and may require the employee to provide all related information for investigation. After obtaining relevant information from the employee, the department head will approach the person(s) involved or witness(es), if applicable, to get a thorough understanding of the case.

For cases which are not serious and no discipline action is required, department head may summon a conciliation meeting with the employee and involved person(s) to resolve the issue.

If discipline action should be taken due to the seriousness of the incident, department head should contact Group Human Resources Department for disciplinary procedures.

When handling the complaints, department heads should document all the meeting notes and decisions, with copies sent to the Group Human Resources Department for record.

Raise the complaints to Head of Group Human Resources

If the employee feels uneasy to raise the complaint to involved person(s) or department head, or is unsatisfied with the department head's judgment, the employee can raise the complaints directly to Head of Group Human Resources. Complaint(s) against Head of Group Human Resources should be raised to Managing Director directly.

Unlawful Act(s)

The Company will not tolerate any unlawful discrimination acts. Basic concepts of related unlawful behaviours are shown below but they do not cover all unlawful acts. For further information, please refer to the related ordinances and the Code of Practice on Employment issued by the EOC.

Discrimination

Direct Discrimination means treating a person less favourably than another person in comparable circumstances, because of a person's sex, marital status or pregnancy.

Indirect Discrimination means imposing the same requirement or condition on

everyone, but which has an unfair effect on a particular group of persons. This kind of unfair requirement would constitute indirect discrimination if there is no reasonable justification for the requirement. The same principle applies to discrimination on the ground of sex, marital status, or pregnancy. Examples of indirect discrimination are illustrated in Frequently Asked Question.

Discrimination against a person includes discrimination against him or her on the ground of the disability, race etc. of his or her near relative.

Harassment

We will not tolerate sexual harassment, disability harassment or racial harassment. **Harassment** is behaviour that is not welcome, not asked for and not returned, and which is likely to cause an uncomfortable workplace by humiliating, seriously embarrassing, offending or intimidating someone. All employees are responsible for their own actions and should not engage in potentially offensive behaviour.

Monitoring the Equal Opportunities Policy

Any report of discrimination will be treated seriously by the Company and will be investigated thoroughly and confidentially. The Company will also ensure that complainants and witnesses will not be penalized in any way.

Employees who engage in discrimination in the workplace unlawfully will be personally liable for the consequences, including summary dismissal.

2. Employees' Identification

For security purposes, department heads and security personnel are authorized to search and check employees' identification, their belongings and the vehicles they drive when they are on, enter or leave the Company's premises (including offices, depots, stores, workshops, shops and work sites). Security personnel are authorized to decline entrance or exit of any employee who refused to be searched and checked. The case will be referred to relevant parties for further action, if necessary.

Company Pass

All employees should display the company pass prominently when on Company's premises.

The employees should report the loss of company pass to concerned authorities, Group Human Resources Department and Corporate Supplies and Administration Department. A replacement card will then be arranged by the relevant departments. Employees must return the company pass to the Company on the last day of employment.

Uniform

Some employees, due to the nature of their duties, are required to wear company uniform and such uniform must be properly worn when on duty. Employees should behave themselves when they are wearing the uniforms and should not wear the uniforms when they are not on duty.

The uniforms provided to employees are regarded as Company's property. Employees are responsible for laundry, cleaning and general upkeep of their uniforms. Any employee who terminates service with the company is required to return all items of uniform to the department head.

To ensure the safety of employees, the company will provide safety footwear or protective gear to those who are required to wear them in performing duties.

3. No smoking at Work

The Company is committed to providing a safe and healthy working environment for all employees. All employees are prohibited to smoke within the Company's premises and work sites, as the Company listed the premises and work sites as No Smoking Areas.

Areas where smoking is prohibited at all time

Other than the Company's premises, smoking is also prohibited in the following areas and scenarios:

- work sites
- company vehicles
- customers' premises
- any other places where a "NO SMOKING" sign is displayed
- any public place where employees are wearing company uniforms

All employees are expected to comply with this policy. In case of uncertainty, employees should consult their immediate supervisor.

The following guidelines should be implemented where appropriate:

- A sufficient number of "NO SMOKING" signs should be posted in prominent places on Company's premises and in company vehicles. These signs should be maintained in a legible condition and in order.
- Implementation of this policy is the responsibility of department heads, section managers and supervisors in areas under their control.

Disciplinary action should be taken against employees who violate this policy. They will receive written warnings from their department heads and a copy should be sent to the Group Human Resources Department and Corporate Supplies and Administration Department.

Contractors/ dealers or their employees who violate this policy will be asked to leave the Company's premises or work sites immediately. These contractors/dealers or their employees will face appropriate disciplinary action including possible termination of contracts, blacklisting, etc. In such circumstances, department heads should notify Corporate Supplies and Administration Department of the contractors' list, in order to make necessary arrangement.

Visitors or customers breaching this policy should be courteously and patiently asked to stop smoking. If they insist on continuing to smoke, they should be politely asked to leave the Company's premises.

4. Consumption of Alcohol and Drug

The Company endeavours to promote a safe, healthy and productive working environment. Alcohol and drug abuse impair the health of the employees and their work performance which induce adverse impact on the Company's working environment and performance.

Alcohol Consumption

1. To prevent the side effects of alcohol on one's judgment and concentration, employees are forbidden to consume alcoholic drinks whilst at work (including meal or rest time), on all Company's premises and work sites unless special approval is granted.
2. Employees should observe Company's regulations and respective Road Traffic Ordinances when driving company vehicles. Drink driving is strictly forbidden.
3. Employees are obliged to ensure that they are not under the effect of alcohol while performing duty. If an employee has consumed alcohol before work, they should proactively report their conditions to the supervisor before performing duty. Supervisors should ensure that employees can comply with the Company's safety standards while performing duty.
4. For employees representing the Company to attend social activities for business purpose and so have to consume alcoholic drinks, they should avoid overconsumption to preclude behavior that may threaten public safety or damage the Company's image.
5. Any activities that provide alcoholic drinks in the Company's premises for business reasons should seek prior approval from Corporate Supplies and Administration Department except dining premises registered with liquor license.

Drug Consumption (Including Drug Abuse)

1. Employees are strictly forbidden to take or possess illegal drug whilst at work, on all Company's premises or work sites.
2. Employees who take drug(s) due to illness have the responsibility to ensure that their reaction, observation and judgment abilities are not adversely affected while performing duty under the effect of the specific drug(s). Supervisors should ensure that employees can comply with the respective safety standards while performing duty.

Departmental Guidelines

Department heads are responsible for establishing guidelines relevant to the operational needs of their departments in support of the execution of this policy. This policy will form part of the service contracts for contractors, dealers and agents to ensure that they are obliged to comply with the stipulation of this policy. Those who fail to comply this policy will be expelled from all Company's premises or sites and will be denied for future access.

Disciplinary Actions

1. Anyone violating this policy will be subject to disciplinary action. Employees will be responsible and liable for any possible outcomes.
2. Any violation to the policy leading to accidents, prejudicial occurrences to the public or company loss will be deemed as serious misconduct. The Company has the discretion to summarily dismiss the employees without notice or payment-in-lieu and reserves the right to claim the employee for compensations to damages or losses of the Company's assets. In addition, any criminal cases will be reported to the concerned authorities.

5. Gambling

Gambling is not allowed on Company's premises at any time.

Employees should refrain from frequent and excessive gambling of any kind, including playing mahjong, with persons who have a business relationship with the Company.

At social events with customers, contractors or suppliers, employees should exercise personal judgment as to when to withdraw from high stake games.

6. Employment of Close Relatives

A close relative is defined as a parent, child, brother, sister or spouse. To avoid unnecessary embarrassment and possible conflict of interest, if an employee has close relatives working in the Company., with any of its subsidiaries, or with appointed contractors, agents or dealers, he/she should complete the "Employment of Close Relatives Report Form" and report this to his/her department head. If it is deemed their organizational relationship may contravene this policy, the Company will resolve the situation according to prevailing practices.

Employees should not be placed in the following positions with their close relatives:

- the same reporting line
- the same approval line for financial matters
- any other organizational relationship which may prejudice the security and welfare of the Company and other employees

Employees should exercise sound judgment as to whether they should report their relationship with more distant relatives.

7. Use of Company Vehicles

The Company provides company pool vehicles to employees for business purposes and expects employees to observe guidelines and regulations of the Company and drive properly according to the traffic laws. If the employees violate the traffic laws or regulations and commit traffic offence, the employees are personally liable to answer to the relevant authority or court.

Under normal circumstances, the Company will not offer any legal assistance to the concerned employees and will not pay the penalty (except “Motorcycle Parking Penalty Reimbursement” policy) for the employees. The concerned employees have to bear all responsibilities about the traffic offence.

Employees should consult their immediate supervisors or Group Human Resources Department when they have enquiries about this policy.

8. Personal Mail, Electronic Facilities and Telephone System

Personal Mail

The workplace address is solely for business use and employees should use their own postal address for all personal mails. The Company will not dispatch personal mails for employees or be responsible for any damage or loss of personal mails.

Electronic Facilities and Telephone Systems

In general, access to the Company’s electronic facilities and telephone systems is provided to employees for business use only. Any personal use of those systems should be kept to a minimum.

All information stored in Company’s electronic systems, is regarded as the Company’s property. Personnel authorized by the Company may access to employees’ individual files in electronic systems, including voicemail messages, electronic mails, word processing files and other information files.

9. Handling of Personal Data

For employment purposes, the Company collects personal data of employees and their dependents for administration and communication, assessment of qualifications and experience, and provision of remuneration and benefits, by lawful and fair means.

Transfer of Personal Data

Personal data is treated in strict confidence. Transfer and sharing of such data among the Company, its affiliated companies, and disclosure to Company’s service providers and other third parties who have a duty of confidentiality to the Company, (including but not limited to, auditors, Government authorities, medical practitioners, trustees, insurance companies, actuaries and any consultants/agents appointed by the Company to provide and administer employee benefits), will be handled in accordance with the Personal Data (Privacy) Ordinance.

Access and Correction of Personal Data

The Personal Data (Privacy) Ordinance provides employees with the rights to ascertain whether the Company holds personal data about them, to obtain a copy of that data and to amend any incorrect data when necessary.

Request for access and correction should be made in writing and addressed to the Group Human Resources Department. An administrative fee may be charged in accordance with access requests.

Retention of Personal Data

All practical steps will be taken by the Company to ensure that personal data is only kept for a defined period which is necessary for the purposes of which the data are to be used.

10. Information Classification

This policy concerns classification of information according to its vulnerability and sensitivity to business performance and operation. Each information category has its own unique characteristics that justify a different level of protection.

All employees are responsible for keeping information secure and for abiding by the policy and standards for information security at all times.

This policy and the protection of information apply to all information received, sent out or originating and used within the Company; and to all representations of information, whether in electronic media, paper form or other media.

This policy has been designed to create a proper environment for the prudent, consistent and continuous protection of information.

Classification

- Restricted
- Confidential
- General
- Public

Unless otherwise classified, all information is regarded as general. For more details, please refer to Appendix 1 – Information Classification Policy.

11. Protection of Information

According to the information classification policy, all employees should protect and secure the Company's confidential information which they obtain in their course of employment. Employees are expected to use the confidential information only for performing their duties but not to disclose, divulge, intend to disclose or divulge such confidential information not for the Company's interests at any time.

Employees should not release any confidential information after termination of their employment with the Company. This policy applies to all confidential information until it

becomes available to the public. Employees will be liable for any loss incurred by the disclosure of confidential information.

12. Use of Licensed software and Electronic Information Protection

According to the Copyright Ordinance, anybody, in a known situation, indulging in copyright piracy during the course of business, commits an offence.

This Ordinance provides comprehensive protection for all copyright work activity. Copyright work includes software, films, literary works, magazines, newspapers, publications, and all unauthorized image or sound recordings. During the course of employment, all employees must respect intellectual property and not infringe copyright work, otherwise they may be civilly and criminally liable for their acts.

Employees should observe the following when they perform their duties:

1. The Company does not use illegal licensed software. All employees are prohibited from installing, operating, duplicating and distributing unauthorized software on Company's computers or other equipment.
2. Employees' access to the Company's electronic assets from remote locations should only be through authorized remote access channels. Remote access implementations that are covered by this policy include, dial-in modems, virtual private network (VPN) and any applicable cloud-based facilities/ services (e.g. VDI).
3. No employee is permitted to install, operate their own private software or application programs on Company's computers or equipment; even though this may be licensed software.
4. All computer resources that involve Company's corporate information such as computer software, computer hardware, application programs and computer equipment should only be used for their original purpose and by authorized employees.
5. All Company's information, software, hardware, application programs, computers and equipment should be well protected and employees should take all precautions to avoid damaging them.
6. Employees are responsible for keeping logon names and passwords confidential; such as computer, IDD and phone mail passwords used within the Company.
7. Employees should change their passwords at least every 90 days. Passwords must be changed immediately if they are suspected of divulgence.
8. Employees are responsible for removable storage devices which should be locked in secure cabinets after use. Confidential information should be encrypted before saving on to removable media.
9. Computers should be shut down if not in use. Each employee should log off or use a password-protected screen saver when he/she has finished using his/her logon account.
10. Confidential/ restricted message should not be discussed over the phone loudspeaker in public areas.
11. All confidential/ restricted documents should only be used according to their original purposes, and should be destroyed or disposed appropriately when no longer required.

13. Intellectual Property

Whilst in employment with the Company, and/or with the aid of Company's resource, all products, skills and works (including but not limit to information, tools, business models, methods, programs, procedures, knowledge, software, hardware, concepts and research findings, etc.) designed, invented, developed and modified by employees for business purposes, are intellectual property of the Company which owns the entire intellectual property rights. Intellectual property rights refer to intangible solely owned assets, including but not limited to copyright, trademark, patent, know-how and trade secrets, etc.

14. Fund Raising

The Company encourages employees to dedicate their personal time to charity and community activities. Some of these commitments may involve fund raising, often in the form of lucky draws or selling tickets for events. Employees who wish to raise fund within the Company should obtain permission from their department heads. They should be aware that contributions by fellow employees are entirely voluntary and as such colleagues should not be pressurized to contribute.

Under no circumstance may customers and visitors be approached for contributions. Employees should not engage in these activities in areas visited by customers and visitors, such as receptions, lobby areas, training and meeting rooms.

15. Community Activities, Political Involvement and Activities of Employees' Association

Community Activities

The Company encourages its employees to participate in community activities on condition that these activities do not interrupt normal operations of the Company.

Political Involvement

Employees are free to pursue political activities of their choice outside working hours and Company's premises.

Activities of Employees' Associations

Employees who are officers and participate in activities of the employees' associations during working hours, should discuss the granting of time-off with their department head.

Under Employment Ordinance Section 21B, every employee has the right to be a member or an officer of a trade union, registered under the Trade Unions Ordinance, and to take part in the activities of the union at any appropriate time. "Appropriate time" means a time outside working hours.

Any employee who needs to take part in employees' association activities (e.g. meeting with the company's representative) during working hours should seek prior approval from their department head concerned so as to rearrange his/her work. Any of such arrangement should be agreed with or consented by the company's representative.

The Head of Group Human Resources Department is the Company's representative in matters relating to the employees' associations.

16. Employees' Obligations

All employees are required to report the following circumstances to their department head:

- bankruptcy
- arrest
- court conviction of any criminal offence (including road traffic offences where penalty is imprisonment or disqualification)

17. Disciplinary Procedures

An employee who is guilty of misconduct towards the Company may be dismissed without notice or payment-in-lieu in accordance with the Employment Ordinance. Such misconduct includes:

1. insubordination;
2. refusal to accept a legitimate order from the Company;
3. disorderly behavior;
4. persistent lateness to work;
5. negligence in caring for Company's property;
6. absence without proper authorization;
7. theft of, attempted theft of, or conspiring to steal, any Company's property;
8. sleeping while on duty;
9. gambling while at work or on Company's premises (including offices, depots, stores, workshops, shops and work sites);
10. violating the Consumption of Alcohol and Drug policy
11. violating any safety rules or engaging in any conduct which may create a safety hazard;
12. failing to comply with Company's rules requiring certain employees to wear protective safety equipment or specified uniforms;
13. acting in any manner prejudicial to the Company's interests or destroying or putting in jeopardy Company's property, the lives of employees (or their personal safety) and the lives or property of the public;
14. conviction of a criminal offence which in the opinion of the Management affects the employee's position or performance in the Company;
15. disclosing Company's and customers' confidential information to any parties;
16. giving or accepting bribes in the course of employment; or
17. performing any misconduct behavior to infringe the Company's regulations and adversely affect the Company's interest.

IV. Corporate Governance

The Company respects and protects employees' rights granted by the laws, the Company's regulations and policies. Employees should observe this Code of Conduct in their course of

employment or if this Code does not cover certain areas, employees are advised to observe the particular Employee Handbook or make reference to relevant laws and regulations.

1. Grievance Procedures

The Company recognizes that a prompt response by Management on employee work-related complaints is vital to a productive working environment and the achievement of the Company's business objectives.

Employees may discuss grievances related to work with their immediate supervisor. If an employee is not satisfied with the proposed settlement, they may refer the grievance to their section head. If it is still unresolved, they can seek assistance from their department head. Employees also have the right to appeal to top management through the assistance of the Group Human Resources Department. To handle the grievance fairly, anonymous complaints will not be acted upon generally. Therefore, it is strongly recommended that the report should not be made anonymous.

A complainant has the right to be accompanied or assisted by another employee at any stage during the complaint procedure. The Group Human Resources Department is also available to advise employees on their grievances and procedures for dealing with grievances.

2. Compliance with the Code of Conduct

The Company will not tolerate any illegal or unethical acts. Any employee violating this Code of Conduct will be liable for disciplinary action that may include termination of employment.

The Company will report any suspected illegal act to the concerned authorities.

3. Whistle-blowing Policy

3.1 Purpose

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

3.1.2 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.

3.1.3 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.

3.2 General Policy

3.2.1 “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 3 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.

3.3 Misconduct, Malpractice and Irregularity

3.3.1 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.

3.3.2 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.

3.3.3 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).

3.4 Protection for Whistleblowers

3.4.1 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.

3.4.2 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.

3.5 Confidentiality

3.5.1 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.

3.5.2 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.

3.5.3 Should an investigation lead to a criminal prosecution, it may become necessary for the Whistleblower to provide evidence or be interviewed by relevant authorities.

3.5.4 In some circumstances, the HKCG Group may have to refer the matter to relevant authorities without prior notice or consultation with the Whistleblower.

3.6 Reporting Channels

3.6.1 In general, the Whistleblowers should make their reports to the Head of Group Audit & Risk Management of the HKCG Group in writing by post in a sealed envelope clearly marked "Confidential" at:

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

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

3.6.2 A report may also be submitted to the Head of Group 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 businesses (including Hong Kong & China Gas Investment Limited and Towngas China businesses, etc.) - GangHua.whistleblower@towngas.com

3.6.3 To facilitate the handling of the reports, a standard template (Whistleblowing Report Template) is attached in Appendix 2 for reference.

3.6.4 If the concerns raised involve a Director or an Executive Committee member of the The Hong Kong and China Gas Company Limited or Towngas Smart Energy, or the Head of Group 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 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 Committee of the Company - BAC.Chairman.HKCG@towngas.com
- ii. Chairman of the Board Audit Committee of Towngas Smart Energy - BAC.Chairman.1083@towngas.com

3.6.5 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.

3.6.6 Any business units or functions in receipt of a report alleging any of the misconduct, malpractice or irregularity as stated in Section 3 of this policy shall redirect the report to the Group Audit & Risk Management Department (“GARD”). The HKCG Group will handle such report in the same manner as stipulated in this policy.

3.7 Anonymous Report

3.7.1 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.

3.8 Investigation

3.8.1 Upon receipt of a report through the channels described in Section 6 of this policy, a Screening Committee, including the GARD, 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.

3.8.2 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 Committee (“BAC”) may determine in the best interest of the HKCG Group.

3.8.3 If there is sufficient evidence to suggest that a case of possible criminal offence or corruption exists, the matter will be reported by the GARD to relevant local authorities (for instance, the Independent Commission Against Corruption in Hong Kong, the Public Security Bureau in China, etc.).

3.8.4 In some situations (e.g. in case of possible criminal offence), the GARD 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.

3.8.5 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 GARD, a recommendation will be made to the relevant Executive Committee for final decision on the actions required.

3.8.6 The Whistleblower will be informed of the final results of the investigation, wherever reasonably practicable.

3.9 Untrue Report

3.9.1 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.

3.10 Record Retention

3.10.1 Records shall be kept for all reported misconducts, malpractices and irregularities in the HKCG Group under Section 6 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).

3.11 Responsibility for Implementation and Monitoring

3.11.1 This policy has been approved and adopted by the respective Board of Directors of the Company and Towngas Smart Energy. The respective BAC has overall responsibility for

implementation, monitoring and periodic review of this policy. In addition, the respective BAC has delegated the day-to-day responsibility for administration of the policy to the Head of Group Audit & Risk Management of the HKCG Group.

3.12 Revisions of Policy and Procedures

3.12.1 The respective BAC of the The Hong Kong and China Gas Company Limited and Towngas Smart Energy shall be vested with the full power to review, update and revise this policy and to delegate such power to any person if it thinks fit.

3.13 Language

3.13.1 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.

Please refer to TGWIKI for details of Whistleblowing Policy.

4. Interpretation and Amendment of the Code

This Code of Conduct is prepared by the Group Human Resources Department and approved by the Managing Director of The Hong Kong and China Gas Company Limited. The copyright of this Code is owned by The Hong Kong and China Gas Company Limited. Group Human Resources Department is authorized to execute, interpret and amend this Code. Employees who have any doubt about the provisions specified in this Code should consult Group Human Resources Department.

Frequently Asked Questions

1. How does the Prevention of Bribery Ordinance affect me as an employee of the Company?

According to the Prevention of Bribery Ordinance, The Hong Kong and China Gas Co Limited is a public body and all its employees are subject to this Ordinance. Please refer to the “Business Ethics” for detailed guidelines.

2. If a customer is pleased with my service and offers me \$20 to buy a cup of coffee, can I accept it?

No, this is considered to be an “advantage” under the Prevention of Bribery Ordinance.

3. Can I accept “Red Packets” from customers during Lunar New Year?

No.

4. I cannot avoid going to social events with business partners. What should I do to avoid violating any Company’s policy and ethics ordinance?

Under the Ordinance, employees may accept certain advantages, provided that they are not given to influence the performance of duties. Acceptable advantages include:

- Invitations to social functions or acceptance of gifts (advertising and promotional items) of a non-cash value;
- Commercial discounts applicable to all customers;
- Customary and reasonable meals and entertainment at which the giver is present (e.g. occasional business meals or sporting events), and which are not lavish, excessive in nature or frequently proffered.

5. I understand that I should avoid conflict of interest when perform job duties. What circumstances may involve possible conflict of interest?

Employees should understand conflict of interest arises when the personal interests of employees compete or conflict with the interests of the Company. Examples are listed below:

- A staff member involved in a procurement exercise is closely related to or has financial interest in the business of a supplier who is being considered for selection by the Company.
- One of the candidates under consideration in a recruitment exercise is a family member, a relative or a close personal friend of the staff member involved in the process.
- A director of the Company has financial interest in a company whose quotation or tender is under consideration by the Board.
- A staff member undertaking part-time work with a contractor whom he is responsible for monitoring.

6. Can I hold shares of other companies or take up outside employment?

Employees and their family members should avoid engaging in business, investment or activities that might conflict with Company's interests in any way, such as possessing any direct or indirect financial equity in Company's competitors or organizations in the same industry field or being a partner with our dealers/contractors. Should such a situation arise, then employees should make a full declaration of the involvement to their department head to protect themselves against any suspicion of corruption.

All full-time and contract employees are not permitted to accept employment or contract for services from outside sources. Any exceptions to this policy must obtain prior approval from their department head and the Group Human Resources Department.

7. Under what circumstances indirect discrimination occurs?

Indirect Discrimination means imposing the same requirement or condition on everyone, but which has an unfair effect on a particular group of persons. For example, if a bank only recruits bank tellers who are at least 6 feet tall, it is likely that many more women than men are unable to satisfy this height requirement.

For another example, if your employer penalizes you for not working overtime because you are not able to do so as you are pregnant. If your employer cannot prove that the overtime requirement is justified, then it can be indirect discrimination.

8. How should I handle confidential information?

Confidential information should not be disclosed to any unauthorized person. Suggestions on handling confidential information can be found at Appendix 1.

9. How should I handle Company's property, records and accounts?

They should be handled with prudence and kept confidential. Falsifying documents or accounting records are offences and are strictly forbidden.

Appropriation of the Company's property (including raw material, finished goods or information) for personal use or for resale is prohibited.

10. Can I ask Company's business partners for a loan?

Employees and their family members should avoid having a debtor-creditor relationship with any of the Company's business partners (with the exception of normal bank loans).

11. Can I gamble with business partners?

Gambling is not allowed on Company's premises at any time. Employees should refrain from frequent and excessive gambling of any kind, including playing mahjong, with any persons who has a business relationship with the Company. At social events with customers, contractors or suppliers, employees should exercise personal judgment as to when to withdraw from high stake games.

12. What should I do if I receive a gift from a business partner?

Employees should report it to his department head and submit the “[Gift Report Form](#)”. Your department head will advise you how to handle the gift.

13. Regarding this Code of Conduct, can I consult anyone else besides my department head if I feel approaching him/her may cause a conflict of interest?

Employees may direct any enquiries to the Head of Group Human Resources, who is designated as the Company’s ethics counsellor. All information will be treated in strict confidence.

Appendix 1 – Information Classification Policy

Criteria	Examples	Distribution
<ul style="list-style-type: none"> • Sensitive or strategic • High impact to the Group/ Company 	<ul style="list-style-type: none"> • Board paper • (HKCG) ECM meeting documents • Towngas Business Strategy Meeting documents • Passwords, cryptographic keys 	<ul style="list-style-type: none"> • Exclusive use by a small number of predetermined and authorized employees and business partners
<ul style="list-style-type: none"> • Disclosure, modification or destruction of information would adversely affect business performance or the continuity of operation • Topics of interest for news media, pressure groups or electorate 	<ul style="list-style-type: none"> • Business plans • Customer/employee contracts • Customer/employee personal information • Customer transaction/ payment information • Confidential internal operation procedures • CEA • Employee pay slips • SES meeting documents • Tender documents 	<ul style="list-style-type: none"> • Limited to specific groups of employees and business partners • Assigned on the basis of “need-to- use” and for authorized intended purpose
<ul style="list-style-type: none"> • Disclosure, compromise, or destruction of information would not seriously affect business operation 	<ul style="list-style-type: none"> • Non-sensitive operational information • Internal policies and procedures • Newsletters • Internal memoranda 	<ul style="list-style-type: none"> • Limited to employees and authorized business partners
<ul style="list-style-type: none"> • Information for public distribution 	<ul style="list-style-type: none"> • Annual reports • Press release • Product brochures • Billing inserts • Customer publications 	<ul style="list-style-type: none"> • No restriction

Precautions			
Distribution	Transmission	Storage	Destruction
<ul style="list-style-type: none"> • Mark each page of print-out with the “Restricted” classification • Use controlled / registered copy, keep records of distribution • Preventing further forwarding 	<ul style="list-style-type: none"> • Not to be taken out of the office, except for authorized intended purpose(s) observing the following rules: <ul style="list-style-type: none"> ❖ Print-out for external mailing to be sent in a sealed envelope with a “Restricted” mark and put in another envelope with no classification markings. Then send by registered mail ❖ Electronic copy to be encrypted 	<ul style="list-style-type: none"> • Print-out to be locked in secure cabinets when not in use • Electronic copy to be stored in encrypted format, password protected 	<ul style="list-style-type: none"> • Dispose by shredding or other means so that information becomes incomprehensible
<ul style="list-style-type: none"> • Mark each page of print-out with the “Confidential” classification • Use controlled / registered copy, keep records of distribution 	<ul style="list-style-type: none"> • Not to be taken out of the office, except for authorized intended purpose(s) observing the following rules: <ul style="list-style-type: none"> ❖ Print-out to be mailed in a sealed envelope in such a way that tampering can be easily detected 	<ul style="list-style-type: none"> • Print-out to be locked in secure cabinets when not in use • Electronic copy to be password protected 	<ul style="list-style-type: none"> • Dispose by shredding or other means to make information incomprehensible

	❖ Electronic copy to be encrypted		
Precautions			
Distribution	Transmission	Storage	Destruction
<ul style="list-style-type: none"> Reasonable protection to avoid unintended external disclosure Company logo should be removed from internal memoranda 	<ul style="list-style-type: none"> No special protective measures required 		
<ul style="list-style-type: none"> No special protective measures required 			

Handling of personal data should comply with the relevant ordinance and Group/Company's policies and the relevant ordinance will prevail.

Appendix 2 - Whistle-blowing Report Template

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 Group 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 Group Audit & Risk Management of the HKCG Group *	
Hong Kong Office The Hong Kong and China Gas Company Limited 21st floor, 363 Java Road, North Point, Hong Kong	PRC Office Hong Kong and 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 Other Stakeholder (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.	
Personal Information Collection Statement <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 Group 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 of the HKCG Group, you may, at your own discretion, choose to report directly to the respective Chairman of the Board Audit 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".



香港中華煤氣有限公司

The Hong Kong and China Gas Company Limited

23/F, 363 Java Road, North Point, Hong Kong.

Tel : (852) 2963 3883 Fax : (852) 2561 6113