

**THE HONG KONG AND CHINA GAS COMPANY LIMITED**

**(the “Company”)**

**Board Environmental, Social and Governance Committee (“BESGC”)**

**1. Aim**

1.1 The BESGC shall assist the Board of Directors (“BOD”) of the Company in overseeing the management in the following areas, as well as pursuing innovative practices to promote the Group’s (including the Company and its subsidiaries) sustainable growth:

- (a) Environment (including climate change, biodiversity);
- (b) Social (including community investment, employee relationship, health and safety);  
and
- (c) Governance (including business ethics, corporate governance, cyber security, data privacy, risk management and supply chain management), etc.

**2. Membership**

- 2.1 The BESGC shall comprise a majority of directors appointed by the BOD from time to time. The Committee shall be made up of at least three members.
- 2.2 The BOD may appoint the chairman of the Board or other director as the chairman of the BESGC.
- 2.3 The Committee Chairman shall nominate a secretary to the Committee.

**3. Meetings**

- 3.1 The BESGC shall meet at least once every year. Additional meetings shall be held at the demand of BESGC Chairman, if necessary.
- 3.2 The quorum of a meeting shall be two members of the BESGC.
- 3.3 The BESGC may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
- 3.4 Resolutions of the BESGC shall be passed by a majority of votes.
- 3.5 Full minutes of BESGC meetings should be kept by a duly appointed secretary of the meeting. Draft and final versions of minutes of the meetings should be sent to all BESGC members for their comment and records within a reasonable time after the meeting.

#### **4. Responsibilities**

The BESGC shall oversee the following responsibilities to achieve the above Clause 1 – Aim:

- 4.1 Develop, approve and update the Group’s strategies, initiatives, goals, targets and policies, on ESG<sup>1</sup> matters;
- 4.2 Identify and review ESG and climate-related issues, risks and opportunities;
- 4.3 Track ESG performance and recommend improvement strategies;
- 4.4 Review, evaluate and approve the annual ESG Report, including prioritisation of material topics, and recommend endorsement by the Board;
- 4.5 Provide updates to the Board on latest ESG matters falling within the BESGC’s remit.

#### **5. Reporting**

- 5.1 The BESGC shall regularly report to the BOD on the committee’s decision and make recommendations to the BOD on the matters set out in these terms of reference.

#### **6. Publication of the Terms of Reference**

- 6.1 The BESGC shall make available its terms of reference, explaining its role and the authority delegated to it by the BOD by including them on the respective websites of Hong Kong Exchanges and Clearing Limited and the Company.

March 2025

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<sup>1</sup> Duties relating to ESG shall cover climate-related issues, wherever applicable.