

APPENDIX 2: ENVIRONMENTAL POLICY

Our Purpose

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

Our Commitment

The Group is committed to:

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

Energy

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

Resources Management

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

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

Air Quality Management

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

Biodiversity

The Group is committed to work towards no net loss and strives to net positive impact.

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

- Avoid operating in areas rich in biodiversity or close proximity to World Heritage areas, International Union for Conservation of Nature (IUCN) Category I-IV protected areas;
- Minimise potential adverse impact on biodiversity and meet our no deforestation commitment by conducting environmental and biodiversity impact assessment for projects at environmentally significant site;
- Utilise technology and employ mitigation hierarchy to reduce, restore and offset biodiversity disturbance and operational effects;
- Promote biodiversity awareness among employees and stakeholders through community investment and training programmes;
- Respect indigenous people around our operation boundaries and minimise ecological and cultural impacts to local communities.