

**Towngas Smart Energy receives raised S&P Global ESG Score,
ranked first among Greater China gas utilities**

(9 March 2023) Towngas Smart Energy Company Limited (“Towngas Smart Energy”; stock code: 1083.HK) has been awarded a raised Environmental, Social and Governance (ESG) Score of 68 by S&P Global, an international rating agency, reflecting the significant improvement in all ESG aspects of Towngas Smart Energy’s performance. These aspects include the integration of ESG concepts into corporate development strategies, biodiversity issues, as well as outstanding performance in climate change risk and crisis management along with safety practices. Towngas Smart Energy has now obtained an ESG rating in each of the top six international ESG rating agencies, with the others being MSCI, CDP, FTSE Russell and Sustainalytics. This shows that the Group’s continuously improving ESG performance is being recognised widely.

According to S&P Global’s rating report, the ESG performance of Towngas Smart Energy has shown significant improvement in a number of areas. The Group is committed to integrating ESG concepts into its business development strategies in areas such as board structure, carbon management, supply chain management, occupational safety and health, information technology security and staff development. The Group has an ESG Committee comprising members of the Board, including senior management from different business segments, which jointly defines ESG-related indicators and regularly reviews and evaluates their effectiveness.

In addition, the upgrade reflects the Group’s continued progress in biodiversity issues, addressing climate change risks and crisis management. In November last year, the Group, together with its parent company, The Hong Kong and China Gas Company Limited (“Towngas”, stock code: 0003.HK), released the Climate-related and Nature-related Directive Guide, making it the first enterprise in Hong Kong to publish a pilot document in response to the Taskforce on Nature-related Financial Disclosures (TNFD) framework to review and disclose the impact of its business on ecology and biodiversity, as well as the associated risks and opportunities. The Group has also disclosed the potential risks and opportunities arising from climate change on the Company’s financial position as recommended by the Taskforce on Climate-related Financial Disclosures (TCFD). The Group also achieved a “B” rating for

climate change in the CDP, demonstrating its industry-leading performance in the area.

Mr Isaac Yeung Chung-kwan, the Head of Corporate ESG / Head of Corporate Affairs of Towngas, said, “We are pleased that the Group’s ESG performance has been recognised by international ratings, especially as we have been committed to integrating ESG concepts into our development strategies and implementing them in our daily operations. It is encouraging for the Group that our efforts in this area have been recognised by S&P Global. In the future, we will further refine our business development strategies to address the risks and opportunities of ESG in order to achieve sustainable development.”

Looking ahead, the Group will continue to keep abreast of the latest developments in the international ESG reporting framework and further enhance its business and risk management performance to strengthen investors’ and stakeholders’ confidence in the Group and deliver on its commitment to sustainable development.

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