

**Towngas welcomes TNFD’s publication of its final Recommendations,
will further evaluate mutual impact between nature and business**

(26 September 2023) Towngas Smart Energy Company Limited (Towngas Smart Energy) welcomes the publication of the final Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), which provides clearer guidance for businesses in identifying environmental, social, and governance (ESG) risks, including nature-related risks and opportunities. Towngas Smart Energy has been actively engaging in TNFD-related disclosure since November last year. In the future, Towngas Smart Energy will intensify its efforts in assessing and managing nature-related risks and opportunities, and will consider including water resources as a material issue to gain insights into their interactions with biodiversity.

Dr Christine Loh Kung-wai, Independent Non-Executive Director of Towngas Smart Energy, was invited to participate in the launch event of the final Recommendations in the United States. Mr Isaac Yeung Chung-kwan, Head of Corporate ESG / Head of Corporate Affairs of The Hong Kong and China Gas Company Limited (Towngas), said, “In recent years, the Hong Kong Stock Exchange has accelerated regulatory efforts on ESG issues, including requiring listed companies to disclose data and measures related to the Task Force on Climate-related Financial Disclosures (TCFD) starting from 2025.”

Mr Yeung added, “As investors and rating agencies place growing importance on corporate ESG factors, biodiversity has emerged as one of the important issues. Until now, there has been a lack of standardised guidelines for companies to evaluate their nature-related risks. The newly released TNFD Recommendations align with the four key areas of the TCFD framework, enabling companies to comprehensively assess potential climate-related and nature-related risks when conducting risk management.”

Last November, Towngas Smart Energy, together with its parent company Towngas, became the first Hong Kong companies to publish a directive document, the *Climate-related and Nature-related Directive Guide*, in response to the TNFD beta framework to review and disclose the ecological and biodiversity impacts, as well as the risks and opportunities arising from the operations of both companies. As a company proactively responding to the TNFD framework, Towngas has also been invited to join the TNFD Forum to participate in consultations and discussions aimed at enhancing the framework.

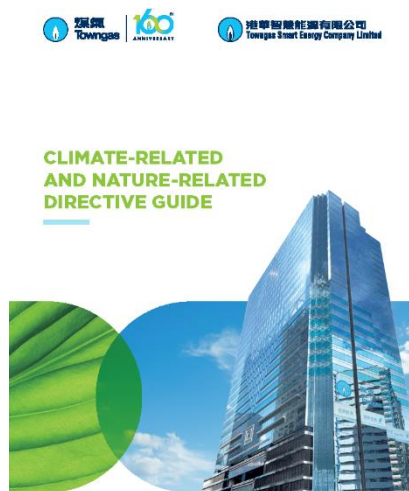
In addition, the Group formulated its ESG Strategy last year, with one of the focus areas being “Energising the Ecosystem”, which means to conserve and utilise resources mindfully with innovative technology and mitigate the impact on

biodiversity. Towngas Smart Energy will continue to embed ESG principles into its business operations, in accordance with the carbon reduction goals of both the country and Hong Kong. It will also cater for the needs of various stakeholders while contributing to the establishment of a green and sustainable future.

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Press photo:

Photo 1:



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