



News Release

16 July 2021

HSBC ARRANGES GREEN GUARANTEE TO SUPPORT GAMMON ON HONG KONG INTERNATIONAL AIRPORT TERMINAL 2 EXPANSION WORKS

Gammon Construction Limited (“Gammon”) and HSBC today announced an agreement to implement a green guarantee of HKD258 million to support the development of Hong Kong International Airport Terminal 2 (“T2”) Expansion Works project.

Executed in the form of a green performance bond, the green guarantee is innovatively structured as contract to Gammon that the project will meet its green obligations and deliver a BEAM Plus Platinum rating – the highest qualification level of the comprehensive certification standard for green properties.

In order to achieve the target, Gammon is delivering the project with practices in construction that will reduce the environmental impacts of the terminal building, improve environmental quality and user satisfaction. In addition to delivering a green building project, the team is implementing a number of initiatives during construction, including:

- The use of prefabricated modules to facilitate low waste construction
- The use of a mass battery storage system, called the Enertainer, to reduce noise, air pollution and carbon emissions on site
- The use of ready-mix concrete with CIC Green Product Certification and the use of CIC Carbon Assessment Tool to track carbon performance
- Reuse of treated marine sediment to avoid marine dumping
- Recycling of removed trees to reduce yard waste disposal

This flagship project of Airport Authority Hong Kong (“AAHK”) is the largest single contract awarded to Gammon with a contract value of HKD12.88 billion. It has also recently received the first Sustainable Finance Certification (Pilot Project) issued by Construction Industry Council (“CIC”).

Patricia Or, Executive Director of Gammon Construction Limited, said, “We are proud of being the first company to receive CIC Sustainable Finance Certification (Pilot Project). As a company with a firm commitment to sustainability and ESG, we believe green finance can help accelerate greener performance and lower carbon emissions in the Hong Kong construction industry.”

Aditya Gahlaut, Head of Global Trade and Receivables Finance, Hong Kong and Macau, HSBC, said: “HSBC is pleased to be the banking partner of Gammon in its flagship green project of Hong Kong Airport T2, contributing to the sustainable development of Hong Kong’s infrastructure sector. As a leading bank in the city’s sustainable finance market, we are fully committed to supporting the ESG agenda of our customers in Hong Kong. This green guarantee is another example of how we consistently innovate and enrich our suite of green finance solutions to cater to different needs.”

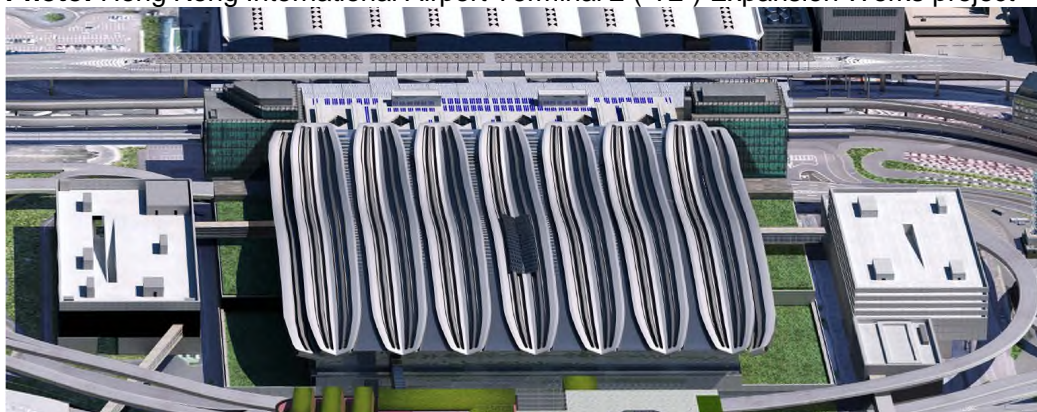
Kevin Poole, Executive Director, Third Runway, Airport Authority Hong Kong, said, “Hong Kong International Airport aspires to be one of the world’s greenest airports and actively seeks to implement green designs in our construction projects. Our expanded T2 has been awarded the BEAM Plus Provisional Platinum rating, which is a testament to our dedication to the environment and our capability in realising this vision in our projects. We are pleased to know that Gammon, our main contractor for the superstructure works of the expanded T2, has agreed on a green guarantee for the project, sharing our vision of implementing best practices in all aspects of our business.”

HSBC has been embedding sustainability into its products and services, including access to capital markets, lending, transaction banking, advisory services and investments, as well as a range of tailored solutions for companies of different sectors and sizes. HSBC Group’s first green trade loan was arranged last year in Hong Kong to support a modular integrated construction project.

Gammon is committed to operating a socially responsible business that is able to deliver its clients’ projects to their satisfaction while minimising negative impacts on, and creating positive change for, society and the environment. The company has implemented in June last year one of the first green guarantees in Asia-Pacific, a performance bond associated with a major residential project in Kai Tak, Kowloon.

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Photo: Hong Kong International Airport Terminal 2 (“T2”) Expansion Works project



Note to editors:

Gammon Construction Limited

Gammon Construction, headquartered in Hong Kong, is a 50/50 joint venture between Balfour Beatty, a leading international infrastructure group, and Jardine Matheson, the Asian-based conglomerate. Gammon has a reputation for delivering high-quality projects throughout China and Southeast Asia. The company's integrated business focuses on civil, building, foundations, electrical and mechanical, facades and interiors works and design, and the construction services division provides considerable plant and steel fabrication and concrete production capabilities. Gammon has a strong building and information modelling department and a digital entity dedicated to furthering the commercial opportunities of the innovations.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,959bn at 31 March 2021, HSBC is one of the world's largest banking and financial services organisations.

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