



# **ENN Natural Gas Co., Ltd.**

(Stock Code: 600803)

## **Climate Change Policy**

### **Introduction**

Nowadays, climate change is one of the most concerning environmental issues all over the world. China announced at the 2020 United Nations General Assembly that it will peak the carbon emission by 2030 and strive to achieve carbon neutrality by 2060. ENN Natural Gas Co., Ltd. (hereinafter referred to as “**ENN Natural Gas**”, together with its subsidiaries, collectively referred to as “**We**”) has always been committed to achieving environmental sustainability by identifying the risks and opportunities brought by climate change, and take appropriate measures to adapt or mitigate the impact on our business. We have also established ENN Natural Gas 2030 carbon reduction target to achieve peaking carbon dioxide emissions by 2030. And ENN Natural Gas are committed to making carbon neutral by 2050.

### **Purpose**

The purpose of this policy is to continuously improve the climate risk management ability of ENN Natural Gas and seize the opportunities arising from climate change, contributing to the mitigation of global climate issues.

### **Scope**

We encourage all provincial companies and our member companies to follow this policy. We also encourage external stakeholder to refer to this policy.

### **Measures**

We are committed to addressing climate change through the following measures:



**Regulation**

Strengthen the recovery of BOG generated in the process of gas transmission and distribution, minimize the leakage and discharge of methane;

- Help our value chain and downstream customers to improve energy efficiency and reduce greenhouse gas emissions through natural gas sales and integrated energy solutions;
- Develop and introduce advanced energy-saving technologies from the country and abroad to enhance the energy efficiency of each business

## Investment

- Focus on potential greenhouse gas emissions and emission reduction of projects, and their availability of renewable energy in the M&A and Due Diligence process. Utilisation of renewable energy sources such as solar energy, industrial waste heat, biomass energy, geothermal energy and other renewable energy sources are considered as important indicators during the decision-making process;
- Evaluate the impact of regional low-carbon policies on city gas projects and integrated energy projects, analyse the trend of market demand for low-carbon energy and the changes brought about by the development of low-carbon technologies, so as to comprehensively judge the adaptability of different projects to climate transition risks and value the project investments with more dimensions.

## **Review**

The ESG Committee and the ESG Working Group are required to review the Policy on a regular basis & update