

Towngas' Carbon Neutrality Roadmap by 2050

At Towngas, we are committed to achieving carbon neutrality by 2050. We recognise that our operations emit greenhouse gases (GHG) that contribute to climate change, Towngas has been monitoring over the years its GHG emissions, with the objective of reducing its carbon footprint.

tCO ₂ e	2023	2022	2021	2020
Total GHG emissions	2,214,000	2,503,000	2,502,000	2,358,000
Scope 1 emissions	1,596,000	1,830,000	1,808,000	1,682,000
Scope 2 emissions	618,000	618,000	694,000	676,000

To mitigate climate change, we have been reducing our direct and indirect GHG emissions by upgrading our infrastructure with energy-efficient equipment, strengthening our control measures to reduce methane leakage, and increasing the proportion of low-carbon, renewable energy sources such as natural gas and landfill gas for gas production processes.

In addition to these initiatives, we are actively working to reduce GHG emissions from downstream operations, which primarily arise from our customers' energy use. Our efforts include generating renewable energy, implementing Combined Heat and Power (CHP) solutions, improving the efficiency of gas appliances, and developing innovative waste-to-energy projects.

To effectively manage and monitor our progress towards GHG emission reduction, the Towngas Board of Directors (the Board) oversees the achievement of Towngas' commitment to carbon neutrality. The following summarise our progress of the interim targets set:

Reduction Target		2023 Performance
Group operational GHG emissions by 2025 (2020 baseline)	10%	↓ 6%
GHG emissions in the environment per year by 2025	10 million tonnes	7.8 million tCO ₂ e

We have developed a comprehensive decarbonisation strategy, focusing on energy transition and innovative solutions. This strategy includes several key initiatives:

- **Develop Low-carbon Fuel**
- **Expand Renewable Energy**
- **Facilitate Hydrogen Distribution and Blending**
- **Enable Fuel Switch**
- **Enhance Energy Efficiency**
- **Reduce Methane Leakages**

Through these integrated strategies, we aim to achieve significant reductions in GHG emissions, contributing to a more sustainable and environmentally friendly energy landscape. Towngas will continue to invest and seek opportunities to accelerate the decarbonization journey, while be adaptable in our actions and plans to cope with the challenges and uncertainties of the changing environment.