

“APPROVED”
by the decision of the Supervisory Board of
JSC “Uzmetkombinat”
(Minutes #__ dated “__” _____ 2024)

**CLIMATE CHANGE POLICY
OF JOINT STOCK COMPANY
“UZMETKOMBINAT”**

Bekabad, 2024

Introduction

As defined by the United Nations (UN), climate change refers to long-term changes in environmental temperature and changes in prevailing weather patterns. Extreme impacts of climate change, such as droughts, fires, floods, storms, extreme high and low temperatures, and hurricanes, can have serious impacts on both people and productive and social infrastructure around the world.

According to studies by the Intergovernmental Panel on Climate Change (IPCC), the key factor in climate change is the increase in greenhouse gas concentrations associated with human activities.

JSC “Uzmetkombinat” agrees that climate change is a global challenge for all mankind, recognizes the significance of anthropogenic contribution and the need for coordinated efforts to counter climate change, and welcomes the national climate goals set out in the Nationally Determined Contribution of the Republic of Uzbekistan, as well as the global goal of the Paris Agreement to limit temperature rise to 2 degrees Celsius above pre-industrial levels.

This Climate Change Policy (hereinafter - the Policy) of JSC “Uzmetkombinat” and its subsidiaries (hereinafter jointly - the Company) confirms the Company's commitment:

- Addressing anthropogenic causes of climate change;
- Adapting to the impacts of climate change.

In its activities in the field of combating climate change JSC “Uzmetkombinat” relies on the provisions and principles set out in the following national and international documents and standards:

- Legislation of the Republic of Uzbekistan;
- Legislation of other countries in which the Company operates;
- Strategy for the transition of the Republic of Uzbekistan to a green economy for the period 2019-2030 (approved by the Decree of the President of the Republic of Uzbekistan DP-4477 dated 04.10.2019);
- Nationally Determined Contribution (NDC) of the Republic of Uzbekistan to the Paris Agreement (Update Report 2021);
- Paris Agreement (ratified by LRU-491 dated 02.10.2018);
- Task Force on Climate-related Financial Disclosures (TCFD) Recommendations;
- Just Transition Principles.

The Company's key principles in combating climate change

Ferrous metallurgy is an energy-intensive industry. Being the largest ferrous metallurgy enterprise in the Republic of Uzbekistan, JSC “Uzmetkombinat” is a major energy consumer and emitter of greenhouse gases.

The most important principle of the Company is to comply with the requirements of the legislation of the Republic of Uzbekistan in the field of climate regulation and to promote the development of such legislation.

The Company has highlighted the following key aspects of climate change and adaptation activities:

- Minimizing own impact;
- Communicating and expanding awareness;
- Development of regions of presence.

The main activities of JSC “Uzmetkombinat” **to minimize its own impact** are:

- Inventory of greenhouse gas emissions Scope 1 and Scope 2;
- Setting quantitative targets for reducing the mass of greenhouse gas emissions Scope 1 and Scope 2;
- Development and formalization of a system for annual assessment of greenhouse gas emissions to monitor achievement of targets and reporting to all stakeholders;
- Identify and assess physical and transient climate risks and opportunities;
- Modernization of equipment and improvement of technological processes using resource-saving, environmentally and technically safe technologies, best available technologies (BAT);
- Gradual increase in electricity consumption from renewable energy sources (RES);
- Development, introduction and implementation of a long-term strategy to reduce greenhouse gas emissions.

The main activities of JSC “Uzmetkombinat” on **communication and expanding awareness** are:

- Interaction with the Government of the Republic of Uzbekistan on climate change legislation;
- Interaction with scientific organizations engaged in research in the field of energy efficiency, resource efficiency, renewable energy sources, counteraction to climate change, etc.;
- Informing all stakeholders about material aspects of the Company's activities in the field of climate change;
- Interaction with customers and suppliers to analyze greenhouse gas emissions along supply chains and identify opportunities to reduce such emissions;
- Raising awareness of the Company's employees about the causes and consequences of climate change in order to develop an informed approach to resource consumption in and outside of work.

The main activities of JSC “Uzmetkombinat” on **development of regions of presence** are:

- Support and participation in projects aimed at developing renewable energy in the regions of operation, increasing the resilience of social and other infrastructure to the effects of climate change, etc.;
- Support and participation in the implementation of climate change projects in the regions of operation;
- Integration of climate change issues into the Company's social and development activities in the regions of operation.

Procedures for implementation and monitoring of the policy

The obligation to implement and comply with the principles of this Policy rests entirely with the Company. Also all companies owned by JSC “Uzmetkombinat” are obliged to implement procedures and policies in the field of climate change in accordance with this Policy in case they do not contradict the local legislation where the companies are located.

All policies, including this Policy, are publicly available to all employees and stakeholders and are published on the Company's internal and external portals. All employees are informed of the existence of these policies and know where they are published.

This Policy is considered an integral part of the Company and is considered in the context of other principles and approaches set forth in the Company's policies governing business ethics and responsible behavior.

Breach of this Policy will result in serious disciplinary action under the laws of the Republic of Uzbekistan and the Company's internal policies and procedures, which may include termination of employment. The above measures apply equally to all employees of the Company, including managers, officers, directors, as well as contractors, business partners and third parties engaged by the Company or providing services on behalf of the Company.

Contacts for questions

We are always open to any inquiries from stakeholders. Questions regarding the content and application of this Policy may be directed to our specialists in any convenient form, including by phone and e-mail.

Contacts for inquiries:

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