

Our vision

<https://uzkimyosanoat.uz/en/esg/environmental/our-vision>

Our Vision for addressing Climate Change

In 2015, 196 countries including Uzbekistan adopted the Paris Agreement to combat climate change. Its central purpose is to respond to the threat of climate change by keeping the global average temperature rise to well below 2°C and pursuing efforts to restrict the temperature rise to 1.5°C above pre-industrial levels.

Holding warming to 1.5°C above preindustrial levels could limit the most severe and irreversible consequences of climate change. To achieve this, global greenhouse gas emissions need to be halved by 2030 and reduced to net zero greenhouse gas emissions by 2050. A net-zero state is achieved when all greenhouse gas emissions are reduced as much as possible, usually by at least 90%, and offsetting is used only for the remaining emissions that cannot be reduced.

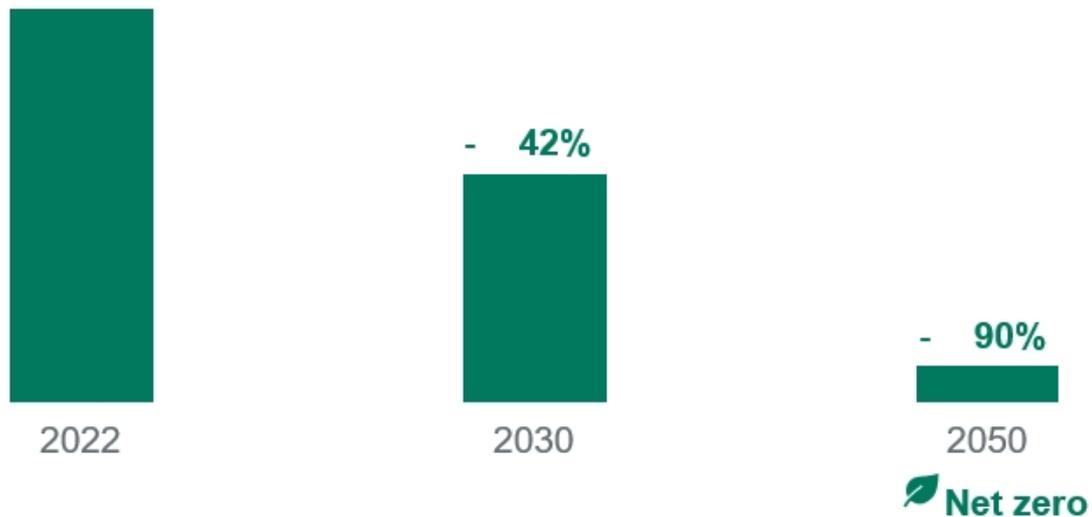
Being active in a high emitting sector, UKS can play an important role in tackling climate change and has therefore set ambitious climate targets that help transition the world towards the 1.5°-degree scenario: "We at UKS are committed to reducing our GHG emissions by 90% by 2050 to achieve net zero. Our near- and long-term reduction targets are in alignment to limiting global warming to well below 2°C, thereby contributing to the Paris Agreement."

Box 1: Vision statement of UKS

We aim to achieve net zero by 2050

- We will aim to reduce our Scope 1 and Scope 2 emissions by 42% by 2030, compared to 2022,
- We will reduce our Scope 1, 2 and 3 emissions by 90% by 2050 compared to 2022, neutralize the remaining 10% and
- We will work towards quantifying our Scope 3 emissions as well as setting a Scope 3 reduction target by 2025.

Our Scope 1-3 GHG emissions pathway until 2050



Our reduction targets are informed by our Scope 1-3 GHG emissions and based on a Low Carbon Pathway

Scope 1 emissions are direct emissions from sources that are owned or controlled by us. Our typical Scope 1 emissions arise from natural gas reforming and nitric acid production.

Scope 2 emissions are indirect emissions released into the atmosphere from the use of purchased energy. Our typical Scope 2 emissions occur from the combustion of natural gas which generates the electricity and heat we purchase. Scope 3 emissions include all other indirect emissions that occur across our value chain and are outside of our direct control. Our typical Scope 3 emissions arise in our upstream supply chain from natural gas production and distribution and in our downstream supply chain from the transportation and distribution of our sold fertilizers and chemicals as well as from the use of our fertilizers when applied to the soil by our end-users.

To set our reduction targets, we developed a Low Carbon Pathway Model. The Low Carbon Pathway specifies how we will achieve our decarbonization targets by implementing mitigation measures. This pathway consists of a) policies, technologies, investments, and b) corresponding trajectories of GHGs emitted and how they are to be reduced.

To achieve our reduction targets, we will evaluate the implementation of the following five mitigation measures:

1. Recycling / circular economy (e.g., develop plastic recycling)
2. Energy efficiency & mitigation measures applied to existing mature technologies (e.g., N₂O abatement projects)
3. Deep decarbonization of purchased heat & electricity (e.g., purchase renewable energy)
4. Innovative low carbon ammonia production technologies (e.g., use green hydrogen)
5. Strong stakeholder engagement to tackle scope 3 emissions (e.g., develop enhanced fertiliser products, use of inhibitors to reduce field emissions, work with farmers / wider agricultural sector to optimize their nutrient mix & advise them on best practice agricultural practices to reduce emissions)