

Glossary

Climate change adaptation (adaptation) is the process of adjusting to current or anticipated climate conditions and their effects, with the goal of reducing harm or taking advantage of beneficial opportunities.

Internal carbon price is a tool used within the Company to reflect the potential cost of greenhouse gas emissions in a project’s financial model.

Permafrost is soil that remains in a frozen state continuously for three or more years.

Permafrost degradation is the process of periodic thawing caused by a gradual increase in the average annual temperature of permafrost, leading to a reduction in the thickness of the permafrost layer.

Decarbonisation is the process of transitioning to a low-carbon economy by reducing greenhouse gas emissions.

Stakeholders are parties that either have expectations of the Company or are affected by its operations and can influence its management decisions. Stakeholders include the Company’s shareholders and employees, investors, suppliers, contractors, consumers, trade unions and other non-governmental organisations, federal and local authorities, the media, and residents of the regions where the Company operates, among others.

Climate is the statistical description of the entirety of meteorological quantities characterising the state of various climate system components (the atmosphere, hydrosphere, lithosphere, biosphere, and cryosphere) over a certain period of time, which may range from several months to thousands of years. The World Meteorological Organization recommends using a 30-year reference period as a baseline for climate analysis. In a narrower sense, climate refers to the average weather conditions of a particular region.

Climate model is a numerical representation of the climate system based on the physical, chemical, and biological properties of its components and their interactions. A climate system can be represented by models of varying complexity, which are used to study and simulate the climate.

Climate anomalies refer to deviations from the normal climatic conditions typical of a given region.

Climate scenario is a plausible and deliberately simplified representation of future climate conditions based on climate models. Climate scenario input data include greenhouse gas and aerosol emission volumes as well as changes in natural resource use driven by global social and economic development pathways. Model outputs may produce scenario-based projections of temperature and precipitation changes, the frequency and intensity of extreme weather events, sea level rise, and other climate indicators.

Climate factor refers to a parameter of the climate system that changes as a result of internal climate system dynamics and/or external influences (such as fluctuations in solar radiation, changes in atmospheric chemical composition, variations in the radiative properties of the Earth’s surface, etc.).

Intergovernmental Panel on Climate Change (IPCC) is an international organisation established in 1988 under the auspices of the United Nations and the World Meteorological Organization to study climate change processes.

Mitigation refers to reducing the likelihood of a risk occurring and minimising its potential impacts.

Low-carbon economy is an economy based on low-carbon energy sources, characterised by minimal greenhouse gas emissions into the atmosphere.

Acute risks are a category of risks caused by individual extreme weather events, such as cyclones, hurricanes, floods, thunderstorms, etc.

Scope 1 emissions are direct greenhouse gas emissions that occur from sources that are owned and/or controlled by an entity and result directly from its activities.

Scope 2 emissions are indirect greenhouse gas emissions from purchased or acquired electricity, steam, heat, and cooling.

Scope 3 emissions are other indirect greenhouse gas emissions that result from an organisation’s activities but occur from sources owned or controlled by other entities, and are distinct from energy indirect greenhouse gas emissions.

Downstream Scope 3 emissions are indirect greenhouse gas emissions related to sold goods and services.

Upstream Scope 3 emissions are indirect greenhouse gas emissions related to purchased goods and services.

Paris Agreement is an international treaty adopted under the United Nations Framework Convention on Climate Change (UNFCCC), aimed at intensifying efforts to combat climate change, adapt to its effects, and provide climate-related support to developing countries.

Greenhouse gases (GHG) are gases that absorb and emit energy within the thermal infrared range, leading to an increase in the average atmospheric temperature. The main greenhouse gases are water vapour (H2O), carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆).

Climate risk factor is a climate-related factor considered within the risk management process as a potential cause of risk.

Permafrost thawing is the process whereby soil receives enough heat not only to raise its natural sub-zero temperature to 0 °C but also to melt the ice contained within it.

Risk is the effect of uncertainty on the achievement of goals.

Risk appetite refers to the types and thresholds of risks the Company is willing to accept in pursuit of its set goals.

Carbon neutrality refers to achieving net-zero greenhouse gas emissions either through eliminating emissions from production activities or by offsetting them through carbon-negative projects.

Product carbon footprint is the total amount of greenhouse gas emissions, both direct and indirect, released as a result of an organisation’s activities in the production of a given product over a specific period of time.

Chronic risks are risks associated with long-term climate change, such as rising average temperatures, increased annual precipitation, and similar trends.

Goal of the Paris Agreement is the goal of keeping the global average temperature rise well below 2 °C above pre-industrial levels and pursuing continued efforts to limit the temperature increase to 1.5 °C above pre-industrial levels.

Energy intensity is the amount of energy required per unit of output or activity.

CO₂ equivalent is a universal unit of measurement used to express the global warming potential of greenhouse gases relative to that of carbon dioxide.

Global warming potential (GWP) is a value describing the radiative forcing impact of one unit of a given GHG relative to one unit of carbon dioxide over a given period of time.