



Eurasian Resources Group

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MEDIA RELEASE

ERG reports progress in embedding sustainability

Eurasian Resources Group (“ERG” or “the Group”), a leading diversified natural resources group, announces the release of its Sustainable Development Report (“the Report”) for 2017, which reflects the Group’s efforts to embed sustainability and was informed by a corporate level materiality assessment and a new business strategy framework.

The Report brought the Group into **closer alignment with international best practice and standards in reporting** while the internal materiality process supported ERG’s identification and understanding of its most important sustainability issues. **The Report for 2017 also began to integrate a new business strategy and consideration of the United Nations Sustainable Development Goals.**

Commenting on the publication of the Report, *Benedikt Sobotka, CEO of Eurasian Resources Group*, said: “ERG is fully committed to being a sustainable and responsible business and we are proud of the progress we made. **The theme of our 2017 Sustainable Development Report - *Embedding Sustainability*** - reflects ERG’s journey to achieve integrated sustainability across all areas of its business to ensure we generate sustained, shared benefits for all stakeholders over the long-term.”

Preparing the business for Industry 4.0, facilitating innovations and improving operational efficiency continued to be one of the cornerstones of ERG’s sustainability activities throughout 2017. This included the development of its Smart Mine project in the Republic of Kazakhstan, multiple operational efficiency initiatives delivering savings of more than US\$114.5 million in the country and ERG’s second Innovators’ Forum, which involved a broad range of international experts.

Another highlight for the Group in 2017 was **the establishment of the ERG Academy in Kazakhstan to develop a common corporate culture and equip employees with the skills to apply transformation in practice.**

In 2017, ERG helped to found and launch **the Global Battery Alliance, a World Economic Forum initiative**, which initiated a collaboration to drive **a sustainable value chain for lithium-ion batteries to power the Fourth Industrial Revolution.** Under this innovative framework for the whole industry, the Group **collaborated with other leading companies, international organisations and NGOs, such as the Organisation for Economic Cooperation and Development (OECD) and the African Development Bank.**

Some other key sustainability initiatives are listed below:

Business sustainability

- Completed the **implementation of SAP®** in Kazakhstan and launched a **performance management system for ERG Africa**
- Continued **participation in China’s Belt and Road Initiative (BRI)** by developing close cooperation with Chinese institutions and partners

- Strengthened compliance management through a number of initiatives including **the roll out of a new Compliance Strategy and expansion of the third party due diligence processes**
- **Initiated the development of a chain of custody aligned with OECD Due Diligence Guidance for Supply Chains for Metalkol RTR**, its flagship cobalt and copper project in the Democratic Republic of the Congo (DRC).

Helping our people thrive

- Introduced a **new corporate safety improvement programme in Kazakhstan** to support the Group's **Zero Harm** vision
- Implemented a **new Safety, Health, Environment and Communities management system in Africa aligned with International Finance Corporation Performance Standards**
- Achieved **over seven million consecutive injury-free hours at Metalkol RTR** within the construction phase

Socio-economic development and wellbeing

- Contributed **US\$111 million in CSI (Community Social Investment)** in ERG's operating regions
- Continued to improve the quality of life of both local communities and employees through, for example, the **Tugan Zher programme in Kazakhstan in partnership with local authorities**, and **education initiatives in the DRC**
- Implemented strategic initiatives to support the future of local communities and their sustainability, e.g. through the **establishment of the Student Entrepreneurship Ecosystem Programme, STEM (Science, Technology, Engineering, Maths) labs and support of other innovative businesses in Kazakhstan**
- Completed **Participatory Rural Appraisals in 11 local communities in the DRC** to identify their needs, develop action plans and empower them in their own sustainable development
- Supported community development initiatives focused on **helping children out of artisanal and small-scale mining in the DRC**: ERG pledged **more than US\$1 million to support a three-year partnership with the Good Shepherd International Foundation** in the Kolwezi area near Metalkol RTR

Environmental stewardship

- Implemented **initiatives to improve air emissions performance in the Pavlodar region in Kazakhstan**, such as the analysis against international practice and the launch of an **advanced filtration technology application programme**
- **Reduced energy consumption in Kazakhstan by over 3,000 terajoules** whilst generating **cost savings of over US\$7 million through energy efficiency initiatives**
- Carried out **energy audits at Boss Mining, Frontier Mine and Chambishi Metals** as part of a **five-year energy efficiency programme at ERG Africa**

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About Eurasian Resources Group:

ERG is a leading diversified natural resources group with integrated mining, processing, energy, logistics and marketing operations. The Group operates in 15 countries across four continents.

ERG represents one third of the metals and mining industry in the Republic of Kazakhstan and is a global leader in ferrochrome production by chrome content as well as a large supplier of iron ore, aluminium, alumina and steam coal. The Group also provides electric power distribution and railway operation services. ERG manages production entities in Kazakhstan that are among the nation's foremost enterprises, including Kazchrome, SSGPO, Kazakhstan Aluminium Smelter (KAS), Aluminium of Kazakhstan, Eurasian Energy Corporation, Shubarkol Komir, Transportation Group TransCom and the Pavlodar Machinery Plant.

ERG is also a principal cobalt and copper producer through its operations in Africa, including the Metalkol Roan Tailings Reclamation (RTR) project in the Democratic Republic of the Congo, a major tailings reprocessing operation currently under construction, as well as Boss Mining, Frontier Mine and Comide. Chambishi Metals, the Group's refinery in the Republic of Zambia, is a LME-registered cobalt metal and copper cathode producer.

The Group has further development projects in thermal coal, manganese, platinum, bauxite and fluorspar in South Africa, Zimbabwe, Mali and Mozambique. ERG controls its own supply chain on the continent through its company Sabot, a North-South Corridor logistics specialist.

In the State of Bahia in Brazil, ERG is pioneering an integrated mining and logistics project comprising the Pedra de Ferro iron ore mine, the Porto Sul deep-water port and the associated new FIOL broad-gauge railway.