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MEDIA RELEASE

Eurasian Resources Group publishes its Sustainable Development Report 2021

Eurasian Resources Group (“ERG” or “the Group”), a leading diversified natural resources group headquartered in Luxembourg, announces the publication of its Sustainable Development Report (“the Report”) for 2021, entitled “Supporting key aspects of modern life”. The report unveils the significant role ERG plays in supporting the green energy transition as well as modern life in general. ERG is well-positioned to seize the opportunities presented by this transition, and is committed to doing so responsibly, including through its ongoing work on mineral value chain transparency and assurance and its broader contribution to its operating regions.

Commenting on the report, *Benedikt Sobotka, CEO of ERG*, said: “In 2021, ERG demonstrated outstanding operational and financial results, which highlight the degree to which we are both capitalising from, and supporting the recovery of, the world economy. We continued to advance our work on sustainable metals production and responsible mineral value chain assurance. These efforts are critical if we are to achieve our full potential in supporting the global energy transition. I would like to thank each and every one of our employees for their valuable contributions to ERG’s sustainable development.”

ERG’s positive performance in 2021 was largely driven by price increases across many of its major commodities, as well as higher production output. Alongside this, the Group reduced its debt by more than US\$800 million, including through principal payments and early repayments, extended its debt maturity profile, improved its financing costs, and created additional liquidity reserves.

As part of the Group’s commitment to achieving Zero Harm, ERG established a target to reduce its LTIFR in Kazakhstan by 15% per year to 2030. It also set a new remuneration-linked KPI for LTI-free hours for all employees at Metalkol RTR and developed a comprehensive OHS management system based on the requirements of ISO 45001 at BAMIN.

As part of its Group 2025 Strategy, ERG has further advanced its Group-wide Digital Strategy and finalised the new Group-wide People Strategy, which aims to support its employees’ development. The People Strategy is supported by the Group’s continued work on the ‘ERG Digital University’, which rolled out around 450 online and in-person courses for employees in Kazakhstan last year.

In 2021, the Group continued to invest in growing its core businesses in Kazakhstan. Among other projects, this included the Phase 2 development of its 10th Anniversary mine at Donskoy GOK and the development of its Slimes 2 reprocessing project. The Group also initiated the construction of a new Special Coke plant at Shubarkol Komir.

Outside of Kazakhstan, as part of developing its new frontiers of growth, ERG continued to ramp up Phase 2 production at its Metalkol RTR cobalt and copper facility in the Democratic Republic of the Congo, which significantly contributed to the Group's 2021 production output, and also continued expanding its Frontier mine through the development of the Cut 3 project as well as through assessment of a further Cut 4 initiative. In Brazil, ERG achieved its first full year of initial production at its BAMIN integrated iron ore operation and won the first stretch of the West-East Integration Railroad (FIOL) concession, which is a key milestone in the development of a large-scale, integrated mining, railway and port project in the country.

In 2021, the Group established its Group-level Environmental, Social and Governance (ESG) Committee, responsible for integrating sustainable practices into the Group's overarching strategy and decision-making processes, as well as developing a long-term, corporate ESG Strategy. The Committee has overseen the establishment of ERG's Decarbonisation Think Tank and has worked on a range of 2030 ESG Goals.

ERG's Group-wide community social investment in 2021 totalled US\$65.2million. In Kazakhstan, the Group continued to deliver a three-year regional programme supporting a range of projects, including in education and youth skills development, healthcare, sports and well-being as well as improving living standards for the local population. In Africa, it implemented a range of social initiatives under the Commitments Register at Metalkol RTR, while concluding formal consultation for the same at Frontier. In Brazil, as part of its broader efforts to help communities close to BAMIN's operations, ERG launched the 'Canteiro Escola' (or 'Site School') to provide vocational training and employment opportunities for low-income communities.

More broadly, ERG distributed US\$6,240 million in economic value to its stakeholders (2020:US\$4,611 million), including its host governments, employees, contractors and suppliers.

In terms of the environment, the Group continued to take major steps to reduce its emissions to air in Kazakhstan. This included the fitting of advanced filter technology under a 10-year, US\$393 million programme to meet relevant EU standards for particulate matter. ERG has also continued to strengthen the Group and regional-level management of its large-scale waste storage facilities.

Operating in what is traditionally a carbon intensive industry, the Group is committed to meeting the immediate demands of its customers and business, while remaining fully aware of the need to responsibly manage its carbon footprint. As part of this, ERG is working to develop a portfolio of renewable energy projects in Kazakhstan. This includes advancing plans to construct a wind generation project of up to 155MW near its Donskoy GOK operation, as well as investigating the potential for off-gas fuelled power generation. In Africa, the Group is examining opportunities to supply Metalkol RTR in the DRC with solar power, which would also enhance the reliability of its supply and reduce its cost base.

More broadly, the most significant impact the Group can have in addressing climate change is through delivering the commodities needed to support the energy transition, including cobalt, copper, aluminium and ferroalloys.

On a global scale, the Group has continued its work with international partners and organisations, including as a founding member of the Global Battery Alliance (GBA) which, as of October 2022, has around 110 members. The GBA is aimed at supporting the development of an ecosystem that will promote traceability, transparency and sustainable practices across the battery value chain.

The Group continued to support the Fund for the Prevention of Child Labour in Mining Communities – a GBA collaboration, administered and programmed by UNICEF, which provided services to more than 15,000 people in 2021. Another main priority has been addressing artisanal and small-scale mining (ASM) issues including via the ASM Cobalt Framework which has recently been advanced by the GBA's Cobalt Action Partnership, supported by ERG.

As part of its multi-stakeholder efforts, ERG is also a founding member of Re|Source, a collaboration between more than 20 supply chain partners, including CMOC, Glencore, Tesla and Umicore. Re|Source is using blockchain to track material flows of cobalt and other battery materials on the ground, from the mine to the EV factory.

As a leading producer of critical minerals, ERG achieved further progress in delivering assurance around the cobalt and copper it produces in the Democratic Republic of the Congo through the application of its Clean Cobalt and Copper Framework. In 2022, Metalkol RTR's compliance with its Clean Cobalt and Copper Framework was independently assured by PwC. Furthermore, in August 2022, the Responsible Minerals Initiative (RMI) determined that Metalkol RTR was in conformance with the RMAP Cobalt Due Diligence Standard (2018) and Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc (2021).

The Group also expanded its mineral value chain transparency and assurance efforts across other products and divisions. ERG launched its new Responsible Aluminium Framework and this has already helped ERG achieve its first London Metal Exchange 'Red Flag Assessment' report for the aluminium produced at its Kazakhstan Aluminium Smelter. ERG's Kazchrome became one of the first six companies to receive the International Chromium Development Association's (ICDA) Responsible Chromium label. In June 2022, independent sustainability rating company Ecovadis awarded Kazchrome a Platinum award, placing it within the top 1 percent of companies in the global iron and steel industry in terms of ESG ratings.

For more details on ERG's sustainable development initiatives in 2021 please see the attached infographics.

The full version of the Report can be found [here](#).

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About Eurasian Resources Group:

Eurasian Resources Group (ERG) is a leading diversified natural resources group headquartered in Luxembourg with integrated mining, processing, energy, logistics, and marketing operations. The Group operates in 15 countries and is a major employer in the industry with more than 75,000 people working for it.

ERG is the world's largest high-carbon ferrochrome producer by chrome content and one of the largest producers of cobalt. It is also a large global supplier of copper and high-grade iron ore. In Eurasia, it is one of the largest suppliers of alumina and is Kazakhstan's only producer of high-grade aluminium.

In Kazakhstan, ERG represents one third of the metals and mining industry. It is also a key power supplier and a large railway operator in Central Asia. ERG manages several of Kazakhstan's leading production entities, including **Kazchrome**, **SSGPO**, **Kazakhstan Aluminium Smelter (KAS)**, **Aluminium of Kazakhstan**, **Eurasian Energy Corporation**, and others.

In Africa, ERG mines and processes copper and cobalt ore and produces copper metal and cobalt hydroxide. **Frontier** is the cornerstone of the Group's copper business, and ERG's **Metalkol Roan Tailings Reclamation (Metalkol)**, a major tailings reprocessing operation in the Democratic Republic of the Congo, has recently become the world's second largest cobalt producer as well as a major supplier of copper.

The Group has its own supply chain on the continent through its logistics company **Sabot** as well as development projects which are focused on other minerals and products in South Africa, Zimbabwe, Mozambique and Mali.

In Brazil, ERG is developing **BAMIN**, an integrated mining and logistics project in the State of Bahia, which comprises the Pedra de Ferro iron ore mine, the Porto Sul deep-water port and the associated stretch of the new FIOCRPA broad-gauge railway.

ERG is a founding member of the Global Battery Alliance (GBA), hosted originally on the platform of the World Economic Forum. The GBA is dedicated to ensuring an ethical and sustainable global supply chain for the lithium-ion batteries that can power the Fourth Industrial Revolution and a low carbon economy through electric vehicles, renewable energy technologies and smartphones. Since its establishment in 2017, the GBA has grown to include more than 100 leading businesses and international organisations as members.

ERG is also a co-founder of the ReSource initiative, working together with CMOC, Glencore, Umicore and Tesla. The initiative uses blockchain to track cobalt and other responsibly produced battery materials in real operating conditions from the mine to an electric vehicle.

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