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MEDIA RELEASE

Eurasian Resources Group publishes Sustainable Development Report 2020

Eurasian Resources Group (“ERG” or “the Group”), a leading diversified natural resources group, announces the publication of its **Sustainable Development Report (“the Report”) for 2020, entitled “Sustainability in Challenging Times”**. The Report summarises ERG’s efforts to integrate sustainable development into its business, prioritise community well-being, and champion ethical behaviour and responsible supply chains.

From early 2020 onwards, ERG’s priority has been **shielding its employees and contractors, their families and the wider community from exposure to COVID-19**, whilst ensuring **operational continuity and business resilience**. These efforts were supported by a dedicated **Anti-Crisis Control Centre**, as well as the rollout of comprehensive COVID-19 safe measures to ensure the safety of ERG’s employees, including **Group-wide PCR diagnostic tests and antibody testing, as well as provision of PPE, remote working, social distancing** practices, **awareness raising** and **medical consultations**.

To mitigate the socio-economic impact of COVID-19 across the Group’s regions of presence, ERG committed **US\$10 million** to the **establishment of a national foundation** in Kazakhstan and set up an **ERG COVID-19 testing laboratory in Nur-Sultan**. The Group’s wide-ranging measures to help combat the pandemic included producing and distributing **16,200 reusable face masks** in Kolwezi in the Democratic Republic of the Congo (DRC), together with the **Good Shepherd International Foundation (GSIF)**, through a dedicated **vocational training programme for women, and donating medical equipment** (including respirators and thermometers) to **local government bodies in Africa**. In **Brazil, ERG contributed US\$54,000** to local municipalities, including for **food and hygiene baskets, more than 300,000 gloves and hand sanitiser gel**. Further to this, in early 2021, **32 pulmonary ventilators** were donated to **equip health units** in the state of Bahia.

Commenting on the Report, **Benedikt Sobotka, CEO of ERG**, said: “During a year of unprecedented global challenge, we continued to integrate sustainable development into our business whilst generating long-term, shared value for stakeholders. This Report reflects our efforts to maintain and improve the resilience of our business, help our people and host communities thrive, ensure our operations are managed in an environmentally responsible way, and champion responsible supply chains. Looking ahead, ERG will continue to focus on the opportunities presented by the global energy transition and embed sustainability practices across our operations.”

Going forward, the Group's key priorities are to continue **safeguarding its employees and operations** from the ongoing impact of COVID-19 and positioning itself as a **global leader in the supply of materials** that are crucial for **the transition to the green economy**.

ERG's commitment to **sustainability and responsibility within the wider value chain** is underpinned by its founding membership in leading global organisations such as **the Global Battery Alliance (GBA)**, and industry-wide initiatives such as **the Cobalt Action Partnership (CAP)** and **Re|Source**.

Key highlights and milestones of the year:

- 1. Preparing our business for the future:** Delivering record aluminium production in Kazakhstan and further growth in commercial ferroalloy production; Reaching full Phase 1 of production and completing Phase 2 of construction at Metalkol RTR, which became the world's second largest standalone cobalt producer; Commencing commercial iron ore operations at ERG's BAMIN in Brazil and starting construction of the Porto Sul deep-water port; Winning the auction for the first section of the FIOLE railway in Brazil in April 2021; Establishing ERG's Environmental, Social and Governance Committee (ESG Committee, set up in the beginning of 2021); Optimising Group liquidity and financial performance via existing debt restructuring and new financing.
- 2. Helping our people thrive:** Recording a Lost Time Injury Frequency Rate (LTIFR) of 0.61 in 2020 (2019: 0.83); Enhancing risk management and industrial safety standards across the Group's assets in Kazakhstan, Africa and Brazil; Supporting the Government of Kazakhstan in the rollout of the Atlas of New Professions.
- 3. Community development and well-being:** Contributing US\$65 million in community social investments; Supporting living standards, youth skills development, healthcare and sports as part of a multi-year regional development programme in Kazakhstan; Delivering drinking water to 400 families (~2,800 people) and establishing 10 farming cooperatives as part of ERG's partnership with GSIF in the DRC; Signing a three-year Commitments Register at Metalkol RTR to invest US\$3 million to support projects in priority community development areas.
- 4. Environmental stewardship:** Continuing to implement a 10-year US\$350 million air quality improvement programme in Kazakhstan and ERG's 2016-2020 Energy Efficiency Programme; Initiating a formal process to establish 2030 renewable energy and GHG reduction targets; Implementing third-party risk assessments at the Group's storage facilities in Kazakhstan; Selling 465 kt of waste from Kazakhstan's production facilities to third parties; Reprocessing of 6,480 kt of tailings from previous miners' operations in Kolwezi in the DRC; Successfully completing trials of innovative flotation technology as part of the 'Slimes 2' project in Kazakhstan.
- 5. Our broader role in society:** Distributing US\$4,611 million to stakeholders; Continuing to transform the Group's corporate culture, including through the ERG Academy and the establishment of a new 'Ambassador Institute' for employees; Championing responsible supply chains by supporting the development of the Battery Passport and a Responsible ASM Framework through the GBA and CAP; Co-founding Re|Source, an industry-wide blockchain initiative; Becoming one of the first contributors to the Fund for the Prevention of Child Labour in Mining Communities, programmed by UNICEF.

For more details on ERG's sustainable development initiatives in 2020 please see the Appendix and the attached infographics.

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

Appendix. A more detailed overview of ERG's sustainable development initiatives

PREPARING OUR BUSINESS FOR THE FUTURE

ERG's commitment to **developing and scaling its operations** and implementing **new technologies** enabled the Group to **fulfil all its production plans in 2020**.

In the DRC, **Metalkol RTR reached full production within Phase 1 and completed construction of Phase 2** – and is now the world's **second-largest standalone cobalt producer**. The Group started to expand the open pit mine at Frontier and **production has already increased by approximately 25%**. In Brazil, **BAMIN commenced iron ore production at 1 mtpa**, started construction of the **Porto Sul deep-water port**, and in April 2021, won the bid to **complete and operate the first stage of the West-East Integration Railway (FIOL)**.

In Kazakhstan, the Group delivered **record high aluminium production of 265 kt** and further **growth in commercial ferroalloy production to 1,653 kt**. Work continued on **Kazchrome's 10th Anniversary mine** and ERG **progressed the rollout of its Smart Mine project**. The Group carried on developing its **3D geomodelling project in the country** as part of its efforts to enhance mining plans under its **Efficient Mine project**. The Group also established **ERG Exploration** with a portfolio of more than 40 mineral deposits.

HELPING OUR PEOPLE THRIVE

The Group has been focused on **keeping its employees and contractors, their families and the wider community safe** in view of the pandemic, whilst ensuring **operational continuity and resilience**. ERG has been quick to adapt to the challenges posed by COVID-19, including through establishing an **Anti-Crisis Control Centre**, **engaging leading medical specialists from Kazakhstan, Russia and Germany**, and introducing comprehensive measures to ensure the safety of its employees. This includes the use of **thermal scanners and touch-free thermometers** at checkpoints, the introduction of **social distancing and remote working practices**, **Group-wide PCR diagnostic tests**, **antibody testing** and **remote medical consultations** for employees.

In Kazakhstan, ERG donated **more than US\$10 million for the creation of a national foundation** to address the socio-economic impacts of COVID-19 and contributed more than **US\$4 million through regional Memorandums of Understanding to support local regions throughout the pandemic**. To support the well-being of employees, their families and local communities in the fight against COVID-19, we also helped hospitals **purchase PPE and modern medical equipment** and **funded front-line staff** in the Kostanay region. ERG also opened an COVID-19 testing laboratory in Nur-Sultan.

In Africa, the Group distributed **16,200 reusable face masks** in Kolwezi in the DRC through a **vocational training programme for women**, and helped deliver **masks and medical supplies to other local communities**, including in Lenge and Kisankala. The Group also

donated **medical equipment to local government bodies in Africa**. In **Brazil**, ERG's help to local municipalities included **investing of US\$54,000 for hygiene and sanitizing materials**. In the beginning of 2021, this was supported by a donation of **32 pulmonary ventilators to equip health units**.

As part of its **commitment to Zero Harm**, ERG continued to focus on enhancing its risk management and safety standards. The Group recorded a **Lost Time Injury Frequency Rate** of 0.61 in 2020 and continued to implement **integrated safety management systems** in Kazakhstan, Africa and Brazil.

In Kazakhstan, initiatives in 2020 included the ongoing rollout of an **enhanced safety monitoring system** of underground operations, as well as the rollout of a multi-year programme to improve the **management of fatal risk controls** and ongoing provision of enhanced **PPE to employees**. At **Metalkol RTR**, ERG undertook industrial hygiene audits in preparation for future external audits against the **ISO 45001 Occupational Health and Safety Management standards**. In Brazil, the Group further improved **industrial safety standards for contractors** and rolled out **role-specific training for higher risk activities**.

COMMUNITY DEVELOPMENT AND WELL-BEING

The Group places great importance on maintaining a **strong relationship with local communities** in its regions of presence, putting in place a range of feedback mechanisms to help local communities **shape their own development priorities**. As part of its support for wider society, in Kazakhstan, ERG continued implementing a **multi-year development programme with a focus on living standards, youth skills development, healthcare and sports**. In 2020, ERG invested **US\$158,000 into its Community Town Initiative**, enabling local residents to submit ideas for new social investment projects, and **US\$38,000 in its Student Entrepreneurship Ecosystem initiative** for students and teachers in Kazakhstan. ERG also supported the Government of Kazakhstan in the rollout of the **Atlas of New Professions**, which was co-launched by ERG and focuses on nine priority economic sectors, including metals and mining.

In Africa, Metalkol RTR signed the new **three-year Commitments Register** following formal consultations with relevant stakeholders to provide **US\$3 million to support** sustainable farming, capacity building, education and healthcare projects.

ERG's work with the **Good Shepherd International Foundation** has also helped provide alternative **livelihood opportunities outside of mining to children**, establish **10 farming cooperatives** and **deliver drinking water to nearly 2,800 people** in the DRC. The Group also **invested US\$165,000** in the construction of a **new primary school for the local community in Lenge** near Comide in the DRC.

In Brazil, ERG has provided **US\$104,000 in funding to a hospital in Bahia**.

ENVIRONMENTAL STEWARDSHIP

ERG is also committed to initiatives to improve its **environmental performance**. In 2020, the Group continued its ten-year, **US\$350 million programme to reduce air emissions** in Kazakhstan, bringing them closer to EU air quality standards relating to particulate matters. Its **new advanced filters** are expected to remove up to **99% of emissions at Aluminium of**

Kazakhstan. As part of ERG's **2016-2020 Energy Efficiency Programme**, the Group continued to implement **energy-saving measures** across its operations in Kazakhstan.

The Group **sold more than 465 kt of waste to third parties in Kazakhstan** in 2020. In the **DRC, 6,480 kt of tailings** accumulated previously by other mining companies were **reprocessed by Metalkol RTR**.

ERG implemented **third-party risk assessments** at its **large-scale waste storage facilities** in Kazakhstan, including at Pavlodar Aluminium Plant, Aluminium of Kazakhstan's Power Plant, SSGPO, Aksu Ferroalloys Plant and Donskoy GOK (Kazchrome).

ERG has also initiated a formal process to establish **2030 renewable energy and GHG reduction targets**.

OUR BROADER ROLE IN SOCIETY

In 2020, the Group distributed **US\$4,611 million in value to its stakeholders** (2019: US\$5,162 million) – ranging from its suppliers and contractors to its host governments.

The Group continued **transforming its corporate culture** through the **ERG Academy** and the **newly established 'Ambassador Institute'** for its employees. ERG also commissioned an **independent evaluation of its Compliance Programme**, to support best business practices.

ERG has continued taking action to ensure that **every stage of its value chain is responsible and sustainable**. By working in partnership with international partners and organisations, ERG is helping establish responsible supply chains and **delivering assurance** to customers and other downstream stakeholders.

As part of the **Global Battery Alliance (GBA)**, of which ERG is a founding member, the Group focused on defining the scope for the **Battery Passport**, an in-development 'quality seal' to be carried across the value chain and deliver assurance to consumers, and developing the **Responsible ASM Framework** as part of the **Cobalt Action Partnership (CAP)** – a collaborative Global Battery Alliance initiative. ERG also played a leading role in **Re|Source**, together with CMOC, Glencore, Tesla and Umicore, to develop a **blockchain platform** to trace the origins of raw materials and track them **along the entire battery value chain** – from mine to electric vehicle.

ERG continued its work with the **Cobalt Institute**, further applying the **Cobalt Industry Responsible Assessment Framework (CIRAF)**, which is focused on managing risks around and reporting on the responsible sourcing and production of cobalt. In 2020, ERG additionally announced that Metalkol RTR would undergo **the Responsible Minerals Assurance Process** – a flagship programme of **the Responsible Minerals Initiative**.

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About Eurasian Resources Group:

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 and is a major employer in the industry.

ERG is the world's largest high-carbon ferrochrome producer by chrome content and among the principal copper and cobalt suppliers. It is also one of the largest suppliers of alumina and iron ore in Eurasia and the only producer of high-grade aluminium in the Republic of Kazakhstan.

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 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, 3-Energoortalyk and ERG Service.

In Africa, ERG mines and processes copper and cobalt ore and produces copper and cobalt hydroxide. It has recently launched Metalkol Roan Tailings Reclamation (RTR), a major tailings reprocessing operation in the Democratic Republic of the Congo. Metalkol RTR has become the world's second largest standalone cobalt producer and is also a large producer of copper.

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 FIOLE broad-gauge railway.

ERG is a founding member of the Global Battery Alliance launched on the platform of the World Economic Forum and dedicated to ensuring that there is an ethical and sustainable global supply chain for the lithium-ion batteries that help power the Fourth Industrial Revolution and a low carbon economy, through electric vehicles, renewable energy technologies and smartphones.

ERG is a Strategic Partner Associate of the World Economic Forum.