

EN+ GROUP SETS SECTOR BEATING TARGETS FOR GHG EMISSIONS REDUCTION

World's Largest Producer of Low-Carbon Aluminium and Independent Hydropower Announces Net Zero Emissions by 2050

18 January 2021 – EN+ GROUP IPJSC (the "**Company**", "**En+**" or the "**Group**") (LSE: ENPL; MOEX: ENPG) has announced its ambition to become net zero by 2050 and to reduce greenhouse gas ("GHG") emissions by at least 35% by 2030¹. These stretching targets cover absolute emissions across all operations, including aluminium production plus heat and electricity production. In 2019, the Group's metal business, UC Rusal, produced 6% of the world's aluminium and its power segment, EuroSibEnerg, generated over 64 TWh of clean hydropower. The Group believes that the targets announced today represent the most ambitious carbon reduction targets yet seen in the global aluminium industry, setting a new standard in one of the most energy intensive industries in the global economy.

The Board has approved targets of at least a 35% reduction in GHG emissions by 2030 and to be net zero by 2050 (scope 1 and 2, as benchmarked against the Group's 2018 GHG emissions). This will require improvement and transformational innovation across the entire production chain. To drive the necessary changes, which will be unprecedented in scale, the Board has instructed the General Director of the Company to create the En+ Climate Change Taskforce led by Chief Operating Officer Vyacheslav Solomin (the "Taskforce") which will be responsible for the planning and implementation of the Company's climate change strategy. The Taskforce will report to the Executive Chairman, Lord Barker.

Over the coming months, before publishing its final Net Zero strategy, the Group will engage in extensive consultations with all relevant external stakeholders, including suppliers, key customers, investors, local communities and relevant international experts, with an aim of publishing a Group report on the pathway to Net Zero by 2050 and the reduction of GHG emissions by at least 35% by 2030 in September 2021, ahead of UN COP26 in Glasgow.

It is expected that the metal segment's targets will be verified and approved by the [Science Based Targets initiative](#) (SBTi) by August 2021. To achieve this, En+ Group will work with UN Global Compact, a key partner of the SBTi.

The En+ Group believes that the achievement of these climate targets is in line with the Paris Agreement and European Green Deal, and supports the UN Sustainable Development Goals, which is essential to the global transition to a low-carbon economy.

Lord Barker of Battle, Executive Chairman of En+ said:

"Once again the En+ Group is showing ambitious sector leadership on the biggest environmental issue of our time. These climate change targets and the roll out of a detailed route map to meet them, are yet more tangible evidence of our commitment to lead the global aluminium industry into the low-carbon economy. We will achieve this transformation with relentless scientific innovation and a change programme driven right across the whole group. This will require continued investment in major scientific advances such as our pioneering inert anode technology

¹ Scope 1 and 2, as benchmarked against the Group's 2018 GHG emissions

and critical industrial process improvements, as well as implementation of net zero initiatives for the hardest 'last mile' emissions."

"The Group can draw on its long record of not just R&D but also execution excellence and experience in process optimisation: these are in the Group DNA. Our metals business has already massively over achieved in meeting existing carbon reduction targets. The target of emitting less than 2.7 tonnes of CO2 equivalent per tonne of aluminium (scope 1 and scope 2 from electrolysis) by 2025, was met in 2017! That is why, although I don't underestimate the huge challenges ahead in meeting these targets, we face them with growing confidence."

Last May, Lord Barker signed up, alongside CEOs of 154 leading companies, to the largest ever UN-backed climate advocacy initiative, ["Uniting Business and Governments to Recover Better"](#). In September 2019, EN+ and a cohort of international businesses [were commended](#) at the UN Climate Summit for commitments to climate targets across their operations and value chains, with such targets being aligned with a target of limiting global temperature rises to 1.5 degrees above pre-industrial levels, entailing the achievement of net zero emissions by 2050.

Joan MacNaughton CB, independent non-executive director and chair of the En+ Health, Safety & Environment (HSE) Committee said,

"Two years ago the reconstituted En+ Group board set a new level of ambition for environmental performance. Today we take a huge step towards fulfilling that promise. We are determined to be at the leading edge of what this sector, being one of the hardest to abate, can do to transition to a low carbon business model."

Christopher Burnham, Senior Independent Director of En+ Group said,

"The new En+ Board made a commitment to implement the highest levels of ESG across the company with a particular dedication to the best environmental stewardship. Today represents the result of this concerted effort led by Lord Baker, and the Board, to fulfill this commitment. "

Notes to Editors

Identified by the United Nations as one of the seven "hard-to-abate" sectors, the aluminium industry alone is responsible for more than 2% of global carbon emissions. In 1990, the industry produced 350 million tonnes of CO₂; today it is responsible for 1.2 billion tonnes of CO₂ of direct and indirect emissions along the entire product chain. This is equivalent to all of the emissions produced by Japan in a year, or equal to 400 million cars each driving 20,000 kilometres.

1. With an annual production capacity of 3.9mn t of aluminium, En+ Group is the largest aluminium producer in the world (ex-China), while its 15.1GW of installed hydropower capacity makes it the largest independent hydropower company globally (source: En+ Group, companies' public filings, Thomson Reuters, Factset). The Group has a well-established presence across five continents and c.90,000 employees.

2. Over 98% of the Group's aluminium production is powered by renewable hydropower, lowering costs and emissions. The Group ranks in the first decile of the global cost curve while producing carbon emissions, with such costs being four times lower than the industry average.

3. Greenhouse gas emissions have been categorised into three groups – ‘scopes’ – by the Greenhouse Gas Protocol.

Scope 1 – All Direct Emissions: includes fuel combustion on site (eg gas boilers), fleet vehicles and air conditioning.

Scope 2 – Indirect Emissions: includes emissions created from the production of energy (purchased from the grid or direct PPA) used by the organisation.

Scope 3 – All other Indirect Emissions: includes emissions from processes that the company does not own or control, such as business travel, production of purchased materials, products and services, waste handling, and water treatment.

4. More information on EN+ Group’s carbon reduction efforts can be found in its [Sustainability Report](#).

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