

En+ Group publishes Pathway to Net Zero

20 September 2021 – EN+ GROUP IPJSC (the “**Company**”, the “**Group**” or “**En+ Group**”) (LSE: ENPL; MOEX: ENPL), the world’s largest producer of low-carbon aluminium and independent hydropower, today published its Pathway to Net Zero Report (“the Report”), which provides in comprehensive detail the initiatives being undertaken across the En+ Group to achieve its sector-beating climate targets announced in January of this year.

The full Report is available on the Company’s website at [link](#).

In January of this year, the Group announced its ambition to become net zero by 2050 and to reduce greenhouse gas (“GHG”) emissions by at least 35% by 2030. The plan set out in the Report aims to meet these sector leading targets by reducing GHG emissions across the whole value chain in line with 1.5°C pathways. By 2050, the aim is that activities within the Group’s value chain will result in no net impact on the climate from GHG emissions (Scope 1 and Scope 2).

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

“In January we set sector-beating climate targets but credible targets need a credible action plan. Today we have made good our promise to come forward with a stretching and detailed route map to Net Zero. While this is only the start of the journey and our plan will necessarily be updated over time to reflect developments, we will always be guided by science-based targets and commit to openly reporting our progress.

“It is incumbent upon industry leaders like En+ to drive change. Our leadership will help transform supply chains and support a shift in mindset for consumers by offering them affordable and desirable sustainable choices. Therefore, I am delighted that getting greener is also making us more efficient, opening the way for innovative low-carbon products to become lower cost and more competitively priced for the end consumer.

“We cannot change the world in isolation – collaboration and partnerships are critical. En+ will continue to work with industry peers to promote transparency on carbon reporting and will support initiatives that will drive innovation and improve access to lower carbon metals.

“Sustainable businesses the world over need access to low-carbon aluminium. We simply can’t build a low-carbon economy without this vital green metal. Now more than ever, aluminium is the material of the future.”

Vladimir Kiriukhin, CEO of En+ Group, said:

“I am proud to present our net zero pathway, which is built on very strong foundations. As a business, we have the capability and the experience to produce a detailed plan that we are confident will allow us to meet our demanding GHG reduction targets. This is real testament to the significant work of the Group over many years to make our business both highly efficient and highly responsible. With more than 98% of our aluminium already made using hydropower, breakthrough technologies, such as our inert anode smelting process, will be critical to moving En+ to the next level of GHG reduction, and we benefit from a strong heritage in innovation leadership in our sector.

“The mission to fight climate change is a global priority which unites our employees across all regions of Group’s business. We are motivated to help the aluminium industry drive meaningful change, and I look forward to keeping our stakeholders updated on Group’s progress in the years to come.”

Overview of initiatives

Following the announcement of the net zero target, the En+ Climate Change Taskforce was formed.

Over the past few months, the Taskforce has been working on a wide range of initiatives and measures, along with a timeline for their implementation that will allow the Group to achieve its climate change ambitions.

The Report encompasses the plans at the production facilities of both the Metals and Power segments, and covers all material sources of GHG emissions under operational control.

The targets cover GHG emissions that are under our direct control (Scope 1) and indirect GHG emissions related to energy generation (Scope 2) in accordance with the GHG Protocol Corporate Standard.

Targets are set for emissions abatement, avoided emissions solutions, and compensation measures.

Abatement measures are a core element of the pathway to net zero. The Group intends to implement technologies to prevent the release of GHGs into the atmosphere by reducing or eliminating sources of emissions associated with all of the Group's operations, products and value chain including by:

- shifting to pre-baked anode and inert anode technologies for smelters; and
- shifting from carbon intensive fossil fuels to liquefied natural gas (LNG), natural gas, biofuels and green hydrogen, or using renewable power for heating processes.

The Group remains committed to its industry-leading 'New Energy modernisation programme' which aims to improve efficiencies by increasing the energy output from the same volume of water passing through hydropower turbines at the Group's power plants. It will also work to reduce electricity losses during transmission from generation facilities to consumption sites. Ongoing investments in the New Energy programme will total USD 284¹ million through to 2026, including funds already invested in the project (~USD 150 million). At the Group's smelters, all new plants built or modernised as part of this new investment programme will be inert anode ready, so that production of zero carbon aluminium can be ramped up as soon as the technology is ready for production on an industrial scale.

In April 2021, En+ announced that its Metals segment had produced the world's lowest carbon primary aluminium – less than 0.01 tonnes of CO₂ equivalent per tonne of metal (Scope 1, Scope 2 – direct and indirect energy emissions) – using its proprietary inert anode technology. This revolutionary technology completely eliminates emissions of GHG from the reduction process, while reducing the cost of production by saving anodes.

The pathway to net zero also covers recycling, shipping, use of solar power and hydrogen, nature-based solutions and carbon capture. It also outlines En+ Group's approach to working in partnership with organisations across the globe to decarbonise its 'hard-to-abate' industry supply chain.

Taken together, these measures will allow the reduction of the En+ Group's absolute GHG emissions (Scope 1 & 2 & 3) by at least 60% from current levels by 2050. The residual emissions cannot be eliminated by applying existing technology – these emissions need to be compensated for by developing new technical and utilising nature-based solutions. Technical solutions are expected to be focused on carbon capture, utilisation and storage technologies.

¹ For the purpose of the Report RUB-denominated CAPEX of Power segment is translated to USD by the rate of 74 RUB/USD.

Nature-based solutions are solutions that allow the capture and storage of CO₂ using natural processes. Since 2019, the Group has implemented extensive forestry projects.

The Group is committed to the highest levels of transparency and will regularly report on progress.

Investor webinar

On 22 September 2021, investors are invited to join the senior management of En+ Group and UC RUSAL on a webinar with live Q&A session, to discuss the details of the Pathway to Net Zero.

The investors, who would like to join the event, should register by using the following link:

<https://www.lsegissuerservices.com/spark/EnGroup/events/3af5f5f2-6865-4441-ad45-a211ba353bde>

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About En+ Group

***En+ Group** is a leading international vertically integrated aluminium and hydropower producer. The Company combines power plants with a total installed capacity of 19.5 GW (including 15.1 GW of hydro power assets), and 3.8 Mt of annual aluminium production capacity (through a controlling stake in UC RUSAL IPJSC, the world's largest aluminium producer outside of China in 2020, which is the major consumer of En+ Group's hydroelectricity).*

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