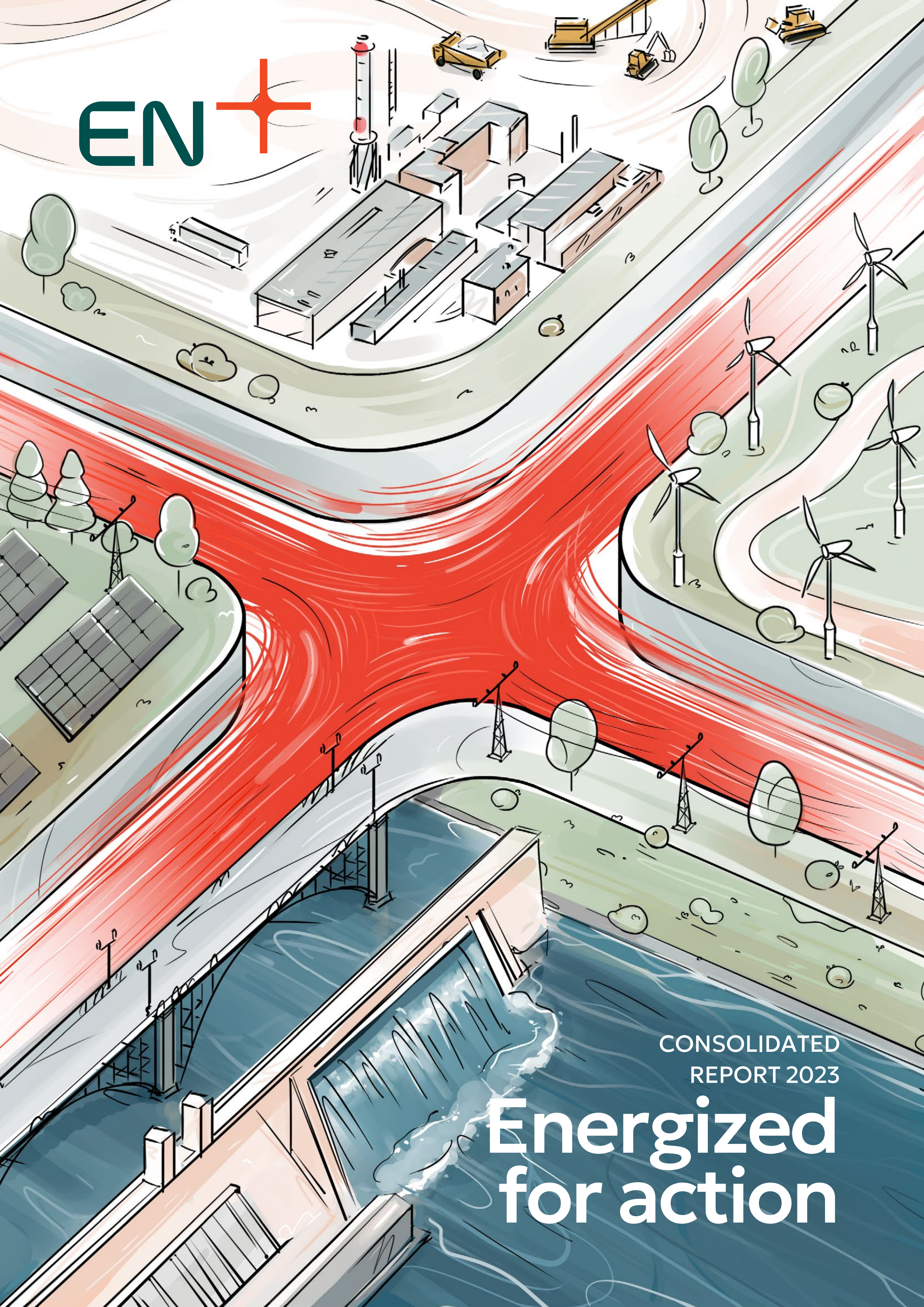


EN+

CONSOLIDATED
REPORT 2023

Energized for action

Contents

No1

En+ Group is the largest aluminium producer in the world (excluding China)

For more details on the Metals segment, see page 30

No1

independent hydropower producer globally

For more details on the Power segment, see page 38

Appendices

are provided as a separate document

Appendix 1.
Report on Compliance with the Principles and Recommendations of the Russian Corporate Governance Code

Appendix 2.
List of the Company's Branches

For more details on the Company, visit our webpage at enplusgroup.com/en/

About the Report

GRI 2-3

En+ Group presents its Consolidated Report (the "Report"), an annual document for a wide range of stakeholders that reflects the Company's key financial metrics and sustainability performance results for the period from 1 January to 31 December 2023 (the "Reporting Period").

En+ Group regularly reports its sustainability performance, in the form of Sustainability Reports until 2022 and Consolidated Reports afterwards.

By publishing this Report, En+ Group reiterates its commitment to transparency as the document presents the most reliable and complete information about the Company. The Report contains information about our business model, strategy, investment programme, operational and financial performance, consolidated financial statements, as well as ESG performance. The Report also describes how the Company contributes to the UN Sustainable Development Goals (SDGs) and complies with the principles of the UN Global Compact. The Report includes information that the Company believes to be material for stakeholders and the business.

GRI 2-5

To ensure credible disclosure, En+ Group prepared its consolidated financial statements for the year ended 31 December 2023 in accordance with IFRS, including an auditor's report, and engaged B1 as an independent practioners to verify the sustainability data.

The independent practitioner's assurance report on the Sustainable Development section is available on page 384 of this Report.

GRI 2-14

The Report was preliminarily approved by the Company's Board of Directors on 25 April 2024 (Minutes N°73).

This Report was approved by the general shareholders meeting of the Company on 26 June 2024 (Minutes N°5 dated 26 June 2024).

The Report is aligned with the following requirements and recommendations:

- Federal Law No. 39-FZ On the Securities Market, dated 22 April 1996
- Regulations of the Bank of Russia No. 714-P On Information Disclosure by Issuers of Issue-Grade Securities, dated 27 March 2020
- The Corporate Governance Code recommended for use by joint stock companies by the Bank of Russia's Letter No. 06-52/2463 dated 10 April 2014 (the "Russian Corporate Governance Code")
- The Listing Rules (the "LRs") published by the UK's Financial Conduct Authority (the "FCA") as a competent authority under the Financial Services and Markets Act 2000 (the "FSMA", as amended and supplemented), and the FCA's Disclosure and Transparency Rules (the "DTRs"); the LRs and the DTRs collectively are referred to as the "Rules" unless otherwise stated
- Global Reporting Initiative (GRI) Standards
- Standards of the Sustainability Accounting Standards Board (SASB), including standards for the Metals & Mining and the Electric Utilities & Power Generators industries
- Streamlined Energy and Carbon Reporting (SECR)
- IFRS[1] sustainability disclosure standards
- Technical guidance to comply with the Streamlined Energy and Carbon Reporting (SECR)
- EU Taxonomy for Sustainable Finance metrics
- London Stock Exchange (LSE) requirements and recommendations
- The requirements of Directive 2014/95/EU implemented through the UK Companies, Partnerships and Groups (Accounts and Non-Financial Reporting) Regulations 2016 No. 1245
- The Aluminium Carbon Footprint Technical Support Document
- A Guide for Issuers: How to Comply with Best Sustainability Practices released by the Moscow Exchange
- Guidelines provided by Russia's Ministry of Economic Development for preparing sustainability reports
- Voluntary ESG standard for the energy sector devised by the non-profit partnership Market Council
- Bank of Russia's recommendations for public joint stock companies to disclose non-financial information related to their activities
- Bank of Russia's recommendations on ESG rating methodology
- Metrics tracked by key ESG ratings

1 To review the standards and partially restructure the Report's thematic sections. Specific IFRS S2 components are disclosed in the Climate and Energy Efficiency Leadership section.

GRI 2-4

To ensure data comparability, the Company's material performance metrics are provided for the last three years (2021–2023). There were no significant changes in the measurement methodology for the metrics in the Reporting Period. Nevertheless, the Report contains some restatements of information from previous years. Comments on the restatements and updated methodologies are included in the text.

Due to rounding, some totals in the tables, charts, and diagrams in this Report may not correspond with the sum of the separate figures. This Report may also contain discrepancies in the calculation of shares, percentages, and total amounts as a result of different rounding methods used.

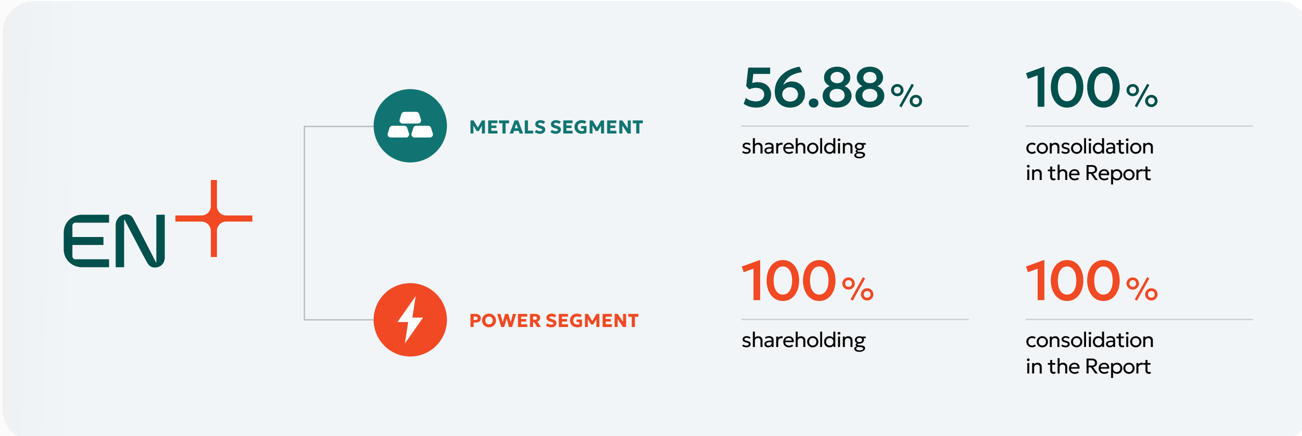
Reporting boundaries

GRI 2-1 GRI 2-2

In this Consolidated Report, the terms "En+", "En+ Group", "EN+ GROUP", or the "Company" in various forms mean EN+ GROUP IPJSC and its subsidiaries. Their performance results are presented in the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The Sustainable Development and Additional ESG Data sections include performance results of the Company and its subsidiaries that are included in the Group's IFRS consolidated financial statements and have significant ESG impact.

The Report reflects information about the Group's performance in two segments, Metals (including BoAZ) and Power. The Queensland Alumina Limited joint venture (Australia) is excluded from the reporting boundaries due to the ban on exports of alumina and bauxite to Russia imposed by the Australian government in April 2022. Data on Nikolaev alumina production are excluded from the reporting perimeter due to the suspension of production. Occupational health and safety data of KraMZ LLC and Strikeforce Mining and Resources PLC (SMR) were disclosed within the Metals segment reporting boundaries.

Boundaries of the 2023 Report[2]



Recognition of the 2022 Consolidated Report

1 place

Secured first place in the Visionary Leaders in Change Management awards in three categories: Best Sustainability Report Under Non-Financial Reporting Standards, Best Economic Impact Disclosure, and Best Social Impact Disclosure.

2 place

Awarded second place in the Best Annual Report of a Company with a RUB 200 bn+ Market Cap category at the 26th Moscow Exchange Annual Report Contest 2023.

Certificate of Public Assurance of the Corporate Non-Financial Report.

2 Unless otherwise stated, the Report covers the Group business units listed below.

In 2023 En+ Group carried out a rebranding, the results of which will now be presented.

We are confident that the rebrand will provide a powerful impetus for further growth and inspire our team to rally behind common goals. At the same time, we hope that it will enable us to strengthen our culture that is built around the values shared by every member of our team.

En+ brings together the energy of the elements, the power of new ideas, and human will to enhance the impact of positive change. Our ideas are shared by thousands of committed individuals who are willing and ready to change the world around them. Together, we are charting new horizons and opportunities and bringing the future closer, not in words but in deeds.

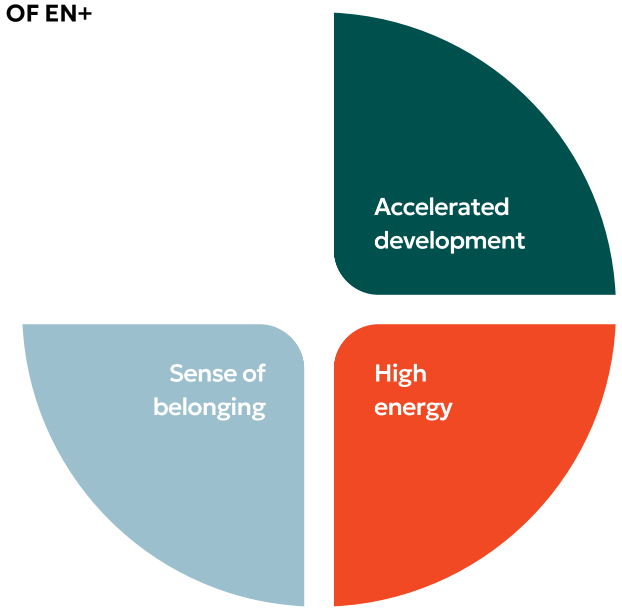
UPDATED LOGO

OUR NEW MOTTO

energized for action

emphasises the practical nature of En+'s activities: an approach focussed primarily on productivity and achieving results.

VALUES OF EN+



Focussing on results

En+ aims all its efforts towards achieving strong results

85.2 TWh
electricity generation
+1.5% y-o-y

3,848 kt
aluminium production
+0.3% y-o-y

En+ continuously improves process reliability and safety to ensure consistent operating results

12
Health and safety audits carried out

5,948 ths Gj
Energy savings through energy efficiency measures

En+ engages its people on operational transformation

100 %
of new employees completed business system training

USD **86.2** mn
benefit from the implementation of employee suggestions to improve production processes

Looking to the future

1. Hybrid perovskites for solar cell applications
2. Cryogenic tank containers for transporting liquid hydrogen
3. Innovative inert anode technology with the world's lowest carbon footprint

En+ is consistently implementing measures to achieve carbon neutrality by 2050

–35 %
by 2035 En+'s updated medium-term climate target
vs 2018

En+ published its second Pathway to Net Zero Progress Report

En+ invests in future generations

7
Multilabs built to promote engineering and IT education

265
students employed after graduation from targeted training programmes
from 2013 to 2023

1,171 school students
from >100 schools joined the Energy School project aimed at promoting careers in power engineering

Developing the regions of operation

En+ invests in its regions of operation

USD **62.3** mn
social investments

USD **3.9** mn
investments by En+ until 2025 within public-private partnership projects

En+ contributes to regional economies

USD **111.4** mn
spending on employee's welfare

62 %
share of purchases from local suppliers

USD **491** mn
payments to governments
RUB 4.2 billion[1]

1 Calculated based on the 2023 average USD/RUB exchange rate of RUB 85.25 per dollar.

01

Strategic report

Key figures

Current geopolitical tensions and new economic restrictions are resulting in volatility in the financial, commodities, and currency markets, as well as in changes in supply chains and refusal of certain suppliers to fulfil previously agreed upon obligations.

Nevertheless, the Company has leveraged its effective management model to quickly restructure raw-material supplies and logistics operations as well as successfully diversify sales channels.

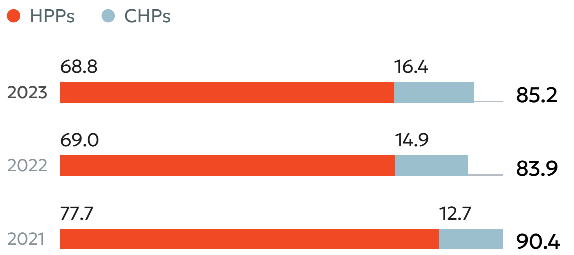
USD 14,648 mn

En+ Group's 2023 revenue

Operational performance

POWER SEGMENT

Total electricity production[1], TWh



Heat generation, mn Gcal

2023

- En+ Group presented its second report detailing progress towards carbon neutrality. In response to current circumstances, the Company announced adjustments to its medium-term goal, extending the target year for reducing greenhouse gas emissions by 35% from 2030 to 2035. The report was presented as part of the En+ Group Net Zero Day.
- RUSAL and the Government of the Leningrad Region signed an agreement at the 26th St. Petersburg International Economic Forum to jointly implement a project for the construction and enhancement of infrastructure for a state-of-the-art alumina refinery.
- On the sidelines of the Eastern Economic Forum, En+ Group signed agreements with the Russian Far East and Arctic Development Corporation, the Government of the Amur Region, and China Energy Investment Corporation to collaborate together on a project to construct a 1,058 MW wind farm in the region.
- ACRA affirmed IPJSC En+ Group's credit rating of A-(ru) and upgraded the outlook to positive.

2024

- En+ Group's Board of Directors approved the appointment of Mikhail Khardikov as CEO of the Company effective 1 January 2024, succeeding Vladimir Kiryukhin, who retired from the position effective 31 December 2023.
- The Expert RA agency assigned En+ Group ESG-II(b) rating (ESG-A according to the Bank of Russia's scale). The rating signifies a very high level of alignment with sustainability considerations in critical decision-making processes. The rating outlook remains stable.
- RUSAL's first plant successfully implemented a pilot project to produce recycled aluminium.

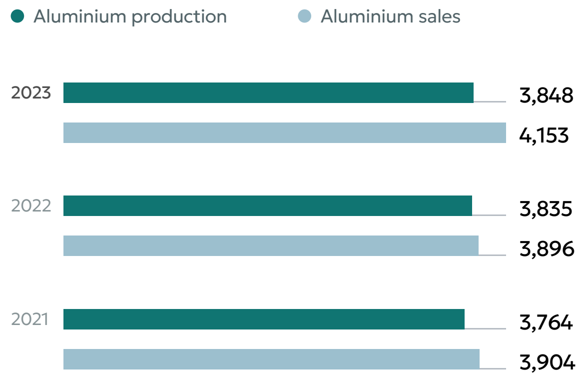
ESG-A

ESG rating from the Expert RA agency according to the Bank of Russia's scale (or ESG-II(b))

Operational performance

METALS SEGMENT

Aluminium production and sales, kt

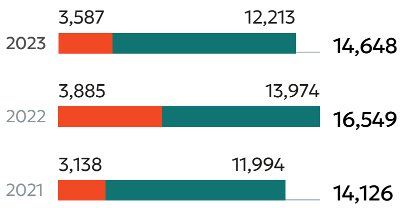


For more details, see Business Review pages 28-41

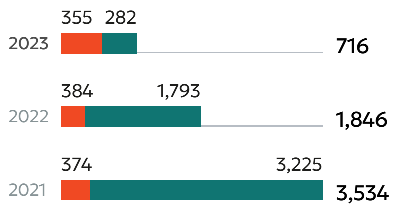
Financial performance

Power segment
Metals segment

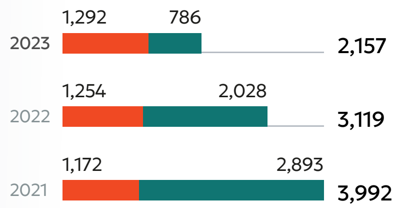
Revenue, USD mn



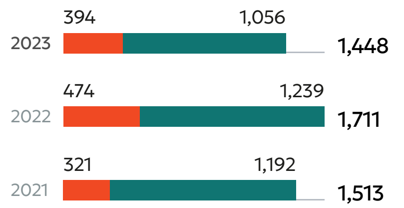
Net profit, USD mn



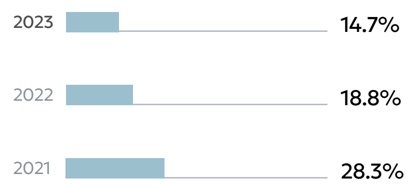
Adjusted EBITDA[2], USD mn



Capital expenditure, USD mn



Adjusted EBITDA margin, %



For more details, see Financial Review pages 42-63

1 Excluding Onda HPP (with the installed capacity of 0.08 GW), located in the European part of Russia, leased to RUSAL since October 2014.

2 Adjusted EBITDA for any period represents the operating results adjusted for amortisation and depreciation, impairment charges, and gain/loss on disposal of property, plant and equipment for the relevant period.

Key figures

Environmental

2.3 t of CO_2e/t Al

ALLOW aluminium's carbon footprint
Scope 1 and 2

31 %

Share of ALLOW, our low-carbon aluminium, in the aluminium's total sales volume for 2023

USD **207** mn

Environmental investments
RUB 17.6 bn[1]

68 %

of total waste reused or recycled

77 %

Share of reused and recycled water

18

ASI-certified plants

Social

28.4 %

of employees are women

0.76

Lost Time Injury Frequency Rate (LTIFR)
per 1 million hours worked

85 %

of employees covered by collective bargaining agreements

USD **62.3** mn

social investments
RUB 5.2 bn[1]

323 employees

have taken advantage of the preferential mortgage lending programme

↑**14** %

average salary increase for employees

Governance

66 %

of directors are independent as at 31 December 2023

33 %

female representation on the Board of Directors as at 31 December 2023

>**80** %

of employees trained on anti-corruption

374

employee reports received by the Signal hotline

62 %

share of purchases from local suppliers

USD **86.2** mn

total economic benefit from the implementation of business system projects and suggestions
RUB 7.3 bn[1]

ESG RATINGS

Sustainalytics
as at 31 December 2023

38.2

1 100

"High risk"

Expert RA ESG rating

ESG-A

according to the Bank of Russia's scale (or ESG-II(b))

ISS ESG's E&S Quality Disclosure Score
in 2023

1 2 3 4 5 6 7 8 9 10 "GOOD"

SOCIAL RATING: 4

1 2 3 4 5 6 7 8 9 10 "EXCELLENT"

ENVIRONMENTAL RATING: 1

ESG RANKINGS AND INDICES

National Rating Agency
One of the leaders in the ESG ranking of Russian industrial companies

Expert RA
One of the leaders in the ESG transparency ranking among Russian companies and banks. The Company was an award winner in the **High Level of ESG Transparency category**

National credit ratings
High level in the ESG Index of Russian Business

ESG AWARDS

Third round finalist
of the Responsible Business Leaders national award

1 Calculated based on the 2023 average USD/RUB exchange rate of RUB 85.25 per dollar.

Our presence and scale

GRI 2-1

En+ Group is the world's largest producer of low-carbon aluminium.

The Group leverages the opportunities stemming from its well-established presence spanning five continents and a strong operational hub in Siberia, combining the assets of both its Metals and Power segments.

The Group's Metals segment benefits from well-diversified sales channels, enabling efficient access and operations across all key aluminium markets. The Group's market research and analytical capabilities contribute significantly to its long-term operational and financial planning.

The Power segment manages Siberia's largest and most cost-efficient network of power plants, providing efficient and reliable service to its key customers in the region, including the largest smelters operated by our Metals segment.

Nº 1

En+ Group is the largest producer of low-carbon aluminium globally outside of China

5.5 %

of the world's aluminium production

68.8 TWh

Low-carbon hydropower production

19.5 GW

Total installed electrical capacity[6]

USD 14,648 mn

En+ Group's 2023 revenue[5]

REVENUE BY REGION

42.6%	CIS
30.1%	Asia
20.1%	Europe
7.2%	Other

REVENUE BY PRODUCT

67.8%	Primary aluminium and alloys
11.2%	Electricity
5.9%	Semi-finished products and foil
3.5%	Alumina and bauxite
3.2%	Heat
8.4%	Other

METALS SEGMENT ASSETS

	11	8	7
	aluminium smelters[1]	alumina refineries[2]	bauxite mines
TOTAL CAPACITY	4.2 mtpa	9.0 mtpa[3]	22.0 mtpa
PRODUCTION LEVEL IN 2023	3.8 mt	5.1 mt	13.4 mt

POWER SEGMENT ASSETS

	5	15	
	HPP[6]	CHP	Abakan solar power plant
TOTAL CAPACITY	15.2 GW[6]	4.3 GW	5.2 MW
PRODUCTION LEVEL IN 2023	68.8 TWh[8]	16.4 TWh	6.0 GWh

1 Excluding Boguchany Aluminium Smelter (BoAZ), a joint 50/50 project of RUSAL and strategic partner.
2 Eurallumina in Italy is mothballed. Since March 2022, production at Nikolaev (Ukraine) has been suspended. Moreover, the Company owns a 20% interest in Queensland Alumina Limited, located in Australia. Since April 2022, the Australian government has banned alumina and bauxite exports to Russia.
3 Including the capacity of Queensland Alumina Ltd attributed to RUSAL.
4 Eurallumina in Italy is mothballed.
5 From external customers.

6 Including Onda HPP with the installed capacity of 0.08 GW (located in the European part of Russia, leased to RUSAL).
7 ALSCON in Nigeria is mothballed.
8 Excluding Onda HPP.
9 Since April 2022, the Australian government has banned alumina and bauxite exports to Russia.

Industry positioning

En+ Group is a market-leading, vertically integrated low-carbon aluminium and hydropower producer.

The Group's asset mix and operations, coupled with its vast geographical footprint, offer strategic synergies. Its scale allows the Company to smartly manage the flows of aluminium products as well as alumina and other raw materials within the Company and enables proactive planning of electricity production and consumption targets. This helps the Group optimise capacity utilisation rates, maximise efficiency at smelters and refineries, and drive asset growth.

Based on the current management structure and internal reporting system, the Group has defined two business segments:

Metals segment, comprising RUSAL and its business assets

Power segment, comprising mainly power assets

METALS SEGMENT

In 2023, En+ Group's Metals segment, represented by RUSAL, produced approximately 5.5% of global aluminium output and around 3.8% of the world's alumina production. During the year, the Company maintained its position as one of the world's largest producers of primary aluminium and alloys. RUSAL achieved approximately 65%[1] self-sufficiency in alumina and over 85% in bauxite and nepheline.

RUSAL's production chain includes bauxite and nepheline ore mines, alumina refineries, aluminium smelters and casting houses, foil mills, packaging and wheel production facilities.

RUSAL boasts a diversified product mix with a strong share of value-added products (1.55 mt per annum out of 4.15 mt of total sales in 2023) and a diversified sales mix.

The Company supplies aluminium products to the domestic market and across all key global consuming regions (Europe, CIS, China, and other Asian countries).

To achieve the Group's ambitious net zero commitment, RUSAL plans to introduce a series of innovations throughout the entire production chain, including projects to switch to pre-baked anode technology. The planned conversion of certain capacities at Krasnoyarsk, Bratsk, Irkutsk, and Novokuznetsk aluminium smelters to pre-baked anode technology is scheduled for 2025–2030. The implementation of environmental modernsation will not only reduce energy consumption by 10%-15%, but also completely eliminate benzo(a)pyrene emissions and reduce fluorine emissions significantly below standards.

RUSAL is also committed to further develop the groundbreaking inert anode technology. This technology will enable the substantial reduction of GHG emissions from primary aluminium production. Only a minimal portion of Scope 3 emissions will persist, primarily indirect emissions associated with producing raw materials used to manufacture inert anodes.

The efficient aluminium production, combined with low-cost materials and power supply, secures the Company's global leadership on the cost curve.

Top aluminium producers globally[2]

№	COMPANY	ALUMINIUM, mt
1.	Chinalco[3]	7.1
2.	Hongqiao Group	6.3
3.	Metals segment (RUSAL)	3.8
4.	Xinfra Group	3.6
5.	Rio Tinto	3.3
6.	Emirates Global Alumnium	2.7
7.	SPIC	2.7
8.	Vedanta	2.3
9.	East Hope	2.2
10.	Alcoa	2.1

1 Taking into account the shutdown of alumina production at the Nikolaev Alumina Refinery and the Australian Government's ban on exporting alumina and aluminium ores to Russia.
2 Based on the Company's internal data and peer companies' publicly available results, announcements, reports and other information.
3 Since 2019, Chinalco has been disclosing consolidated production data on Chalco and Yunnan Aluminium Co. Ltd.

POWER SEGMENT

En+ Group's Power segment is Russia's largest independent power producer by installed capacity and the world's largest independent hydropower generator.

Russia has a well-established power sector, which is crucial to supporting the nation's energy-intensive economy. In 2023, the Unified Energy System of Russia had a total installed capacity of 248.2 GW, with a total electricity output of 1,134.0 TWh. Thermal power plants dominate the Russian energy market, accounting for 66% of the total installed capacity. Siberia's generation capacity mix is divided almost evenly between hydropower (48.4%) and thermal (50.8%) plants, with a minor contribution from solar power plants (SPPs) at 0.8%.

The Group's generating assets are located in the East Siberian and Volga regions. The Power segment is engaged in every sector of Russia's power industry, including electricity and heat generation, electricity, capacity and heat sales, heat distribution, retail energy sales, engineering services, and electricity distribution and transmission.

Hydropower generation is the core business of the Power segment, with most of its assets located in Siberia. In 2023, En+ Group maintained its position as the largest power producer in Siberia, commanding a 36% share of installed capacity. Furthermore, 78% of its capacity is represented by hydropower assets, affording the Group utilisation priority over the regulatory range of thermal power plants.

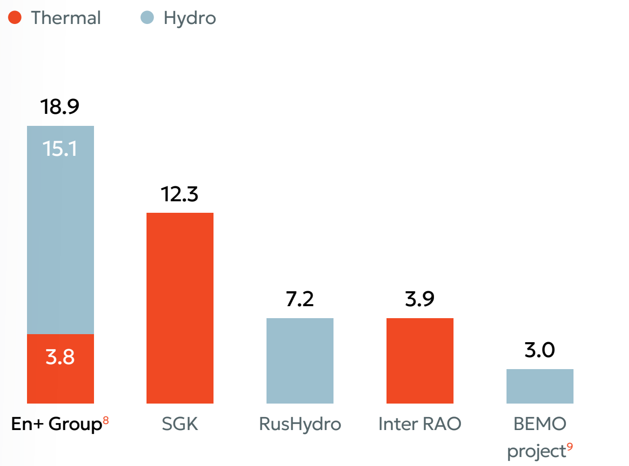
Coal prices are the key driver of day-ahead market prices, given that CHPs are marginal producers. The HPP output, driven by weather conditions, is also relevant, as it affects the production volumes additionally required from CHPs.

The Power segment's primary objective is to ensure a low-carbon hydropower supply, further reducing the Group's overall carbon footprint and contributing to its net zero by 2050 goal. As part of this effort, the Group intends to build new power stations, including Krapiva HPP, Nizhneboguchany HPP, and Telmamskaya HPP. En+ Group is also advancing its New Energy programme focused on HPP upgrades, along with the CHP upgrade programme.

Top power companies by installed hydro capacity globally[4]

№	COMPANY / OWNERSHIP	HYDRO SHARE	POWER, GW
1.	CYPC State[5]	100%	71.8
2.	Eletrobas State	95%	42.3
3.	HydroQuebec State	99%	37.5
4.	RusHydro State	81%	31.2
5.	Enel State	35%	28.3
6.	EDF State	18%	22.1
7.	SDIC Power State	56%	21.3
8.	En+ Group Private	78%	15.2
9.	Iberdrola Private	35%	14.0
10.	Verbund State	95%	8.4
11.	EDP State[6]	34%	7.5
12.	Engie Brasil State	77%	6.4

Competitive landscape in Siberia by installed capacity[7], GW



36% share of En+ in installed capacity of Siberia

78% share of hydro in En+ total capacity

4 Company filings (latest reported data).
5 A subsidiary of China Three Gorges Corporation.
6 21.08% stake is held by the state-owned China Three Gorges Corporation.
7 Based on the Company's internal data and peer companies' publicly available results, announcements, reports and other information.
8 The Company's assets capacity provided for Siberia only. The Company's aggregate capacity is 19.5 GW, including 15.2 GW of hydropower.
9 BEMO (Boguchanskaya HPP) is a strategic partner-operated 50/50 JV between UC RUSAL and strategic partner.

Statement from the Chairman of the Board of Directors

HON CHRISTOPHER BANCROFT BURNHAM

Chairman of the Board

Energized for action

The En+ Group is an exceptional global company that continues to be the largest producer of low carbon aluminium in the world, and the largest non-government hydropower company in the world. We are leading the world in the development of inert anode technology, we produce 5,5% of the world's aluminium, we produce nearly 70 TWh of power each year including 6 MWh from solar, and we are one of the largest producers of aluminium alloy and alumina in the world.

We also lead the world with production of more than 1.3 million tons of ALLOW, our proprietary low-carbon aluminium product in the world, and continue to grow ALLOW INERTA product using the inert anode technology we have developed. ALLOW INERTA is the world's lowest carbon aluminium with less than 0.01 of CO_2e produced per ton.

The En+ Group has operations across five continents with around 90,000 employees worldwide. This includes tens of thousands of employees in Ghana, Guyana, Ireland, Germany, Sweden, Armenia, Jamaica, Italy and Nigeria and hundreds of thousands more employed in downstream aluminium production around the world. Millions of consumers, electric car manufacturers, can companies seeking the lowest carbon aluminium for their customers, let alone the millions of homes we heat across Siberia and Nizhny Novgorod, all depend on us a responsibility we take with the utmost seriousness.

We also continue to certify our plants. There are now eighteen RUSAL sites certified according to the ASI Performance Standard and ASI Chain of Custody Standard as we continue our progress towards carbon neutrality.

In September 2023, we released a report on that progress and while our commitment to carbon neutrality remains unchanged, we announced a revision of the medium-term target; the 35% reduction in greenhouse gas emissions was moved from 2030 to 2035 (based on 2018 emissions). This was caused by the disruption of supply chains, limited connections with international organisations, the postponement of gasification of Eastern Siberia, interruptions in the supply of equipment, and restrictions on us in the financial markets.

In our metals business, despite geopolitical pressures, the aluminium market was, relatively speaking, balanced. With sustainability always at the top of our agenda, I was pleased to see the continued increase in demand for low-carbon aluminium, meaning for us, some 31% sales of our low-carbon ALLOW brand this year. In 2023 we began to produce primary aluminium with the lowest carbon footprint in the world—ALLOW INERTA—in the production of SAYANA foil.

Positive energy

We continue to implement activities along the entire value chain;

- To implement energy efficiency measures across the whole company.
- Prepare all our plants for conversion to pre-baked anode technology.
- Our inert anode technology has successfully passed international verification and confirmed its lowest carbon footprint (0.01 t CO_2 per tonne of aluminium, Scope 1 and 2).
- Mingtai Aluminum became the first company in China to test ALLOW INERTA™ aluminium, produced using RUSAL's revolutionary inert anode technology, at its plant.
- We continue to advance the circular economy by including recycling content in the production of billets and slabs at our smelter in Sweden, and produce primary casting alloys with the recycling content for the automotive industry.
- Our forest climate project was registered for the first time in the Carbon Unit Registry. RUSAL's forest climate project for aviation forestry protection in the Krasnoyarsk Territory was registered in the Russian register of carbon units. Earlier, in November 2023, the project was validated, that is, an independent check for compliance with standards national legislation in the field of climate regulation.
- The Group is also implementing a unique project of peatland watering for Russia in the Leningrad region.
- Scientific work is being carried out to identify the impact of climate risks on HPPs; work is currently underway to create plans for adapting HPPs to climate change.
- Global climate change affects biodiversity and ecosystems; therefore, in 2023, a Corporate Biodiversity Conservation Program was developed for the Angara Cascade of HPPs in order to create a sustainable system for managing the impact on biological diversity during the operation of HPPs.

Despite the challenging times we and others face, we remain determined to be at the cutting edge and very top of low carbon aluminium and energy production. We also remain focused on modernizing both our power production facilities as well as our smelters and refineries. Over the past two years we have spent more than $3 billion on this effort, and have committed to make sure all our facilities are the most modern, worldwide, as we assiduously pursue our zero carbon goal.

Our newest smelter, in Taishet, Russia, is the most modern in the world.

Already in production, Taishet uses our own proprietary RA-400 "T" modification electrolysers developed by the company's Engineering and Technology team. The RA-400 is one of the most powerful electrolysers in the world capable of producing more than 3 tons of aluminium per day, with the highest energy efficient in the industry. The Taishet plant also is being built with a modern dry gas cleaning system with a capture efficiency of over 98.5%. Our RA-400T electrolysers are equipped with automatic alumina supply systems, which will further minimize harmful emissions.

To our valued customers, our shareholders, and our employees across the world, we are deeply grateful for your loyalty in this most challenging world environment in a generation. Despite these challenges, we will continue to heat and power your homes and businesses, to provide the world with the lowest carbon aluminium, the purest aluminium essential to all aircraft manufacturing, the finest quality rolled aluminium with the lowest carbon footprint to support the burgeoning "EV" industry, while also helping conventionally manufactured automobiles reach even higher fuel efficiency standards by lowering the weight of all vehicles.

MIKHAIL KHARDIKOV

Chief Executive Officer

Statement from the Chief Executive Officer

2023 proved to be another important milestone for our Group as we learned to live and navigate through international turbulence, which ended up being an opportunity for us to test our financial and operational resilience and outline key growth points. Despite all the headwinds, we remained true to our commitments and launched a range of new vitally important projects, both in production segments and in community investments.

Notwithstanding lower overall financial performance of the Group due to the combination of external economic factors, we remain resilient and continue adapting to change. Against the backdrop of a challenging economic environment, the continuous appreciation of the US dollar, and a global decline in aluminium prices, our Company remains sharply focussed on reducing external debt, streamlining internal processes, and upgrading its production facilities. We are successfully developing the domestic market and continue the search for new partners. At the same time, we are addressing issues related to equipment import substitution and redesigning our supply logistics. I am confident that in the long term this will build a solid foundation for growth.

In 2023, aluminium sales grew 6.6% amid the sale of inventories accumulated by 2022-end and due to an increase in aluminium production at our new Taishet Aluminium Smelter. The growth, however, was offset by a 16.8% y-o-y decline in aluminium prices on the London Metal Exchange (LME).

The Power segment's generation grew 1.5% y-o-y, demonstrating our continuous drive forward once again. Despite adjustments and external restrictions, we remain committed to our top priority, to achieve 100% carbon neutrality by 2050.

Overall, we have succeeded in overcoming the challenges of 2023 and have a clear vision of where we need to go. Our efforts are centred around energy efficiency and the smooth operation of our enterprises with a strong focus on deploying technology innovations within the Group while driving digitalisation and transformation. We make sure to heavily invest in building a talent pipeline. This starts with promoting youth development and encouraging children from school age to consider vocational training through partnerships with schools to ensure a stable future for the Company and the wider country.

Energized for action

En+ Group has recently celebrated its milestone 20th birthday. It is a time to take a moment to do an in-depth analysis, review the results, and reflect on our journey. To mark this new milestone, we have decided to rebrand in 2024 – this effort will include all businesses of our Power segment. We aim to create a brand that is valued by both our partners and our employees, a brand that has a unique identity, is visible, engaging, and inspiring through its own aspirations and history.

Our new slogan, "Energized for Action", underlines the key feature of the En+ Group strategy – having a clear vision of where we need to go and focussing on delivering tangible results. We believe that this rebrand effort will help our team rally behind our common aspiration to reach even greater heights. For great change cannot be achieved alone but requires strength in numbers.

We bring together the energy of the elements, the power of new ideas, and human will to enhance the impact of positive change. Our ideas are shared by thousands of committed individuals, willing and ready to change the world around them.

Energized for life

En+ Group remains an anchor company and a pivotal partner for Siberian regions. We are responsible for tens of thousands of our employees and their families as well as for local residents within our footprint. As such, we maintain all our commitments as an employer and continue to expand the scope of our social-impact programmes. We strive to improve quality of life, develop urban infrastructure, support educational and cultural projects, and promote sports. Furthermore, En+ Group remains committed to sustainability principles and is continuing with its New Energy HPP modernisation programme to drive not only GHG emissions reduction but also ensure the reliable operation of Siberian energy systems.

Our Group is heavily involved in driving change in the quality of life across our operating regions. In 2023, we launched the Sustainable Cities Responsibility Index programme and identified our key development focus areas for cities across our footprint. Our priorities include improving urban infrastructure and building comfortable homes; enhancing healthcare; and promoting sports, education, and culture.

Over the past year, we started constructing modern comfortable homes for employees and local residents in three operating regions; completed and launched three martial arts centres currently attended by hundreds of children; fitted out healthcare centres with new equipment; and acquired flats across Russian regions for housing mortgage programmes to address the shortage of doctors and teachers. The Baikal Energia bandy team, fully sponsored by us, reached new levels of victory during the year, while our healthy lifestyle and sports festival, Get on Your Skis, was held across dozens of cities. Additionally, our New Year street and square decorations were relished by hundreds of thousands of residents.

We maintain a strong focus on our strategy to achieve net-zero GHG emissions, demonstrating our responsibility and commitment to building a sustainable future for the next generations. On top of this, we are taking extensive measures to minimise and avoid GHG emissions while also launching carbon offset projects. We ensure strict compliance with legal requirements, drive research and development, and contribute to the Clean Air federal project.

Energized for the future

The Group has been actively promoting educational programmes and supports talented youth. This has included providing scholarships to students, participating in the Professionalitet federal project, and organising a specialised education programme for IT students under the IT Academy project.

Other than collaborating with higher education institutions, we build a talent pipeline of future employees from a very young age. In 2023, we opened three new Multilab competency building centres for school students in Bratsk, Angarsk, and Nizhny Novgorod, bringing the total number of such centres to seven. We also run the Energy School educational project and Energy Classes, which provide free preparation for the Unified State Examination for energy-related programmes in Siberian universities.

Energized for cooperation

2023 saw a 4.9% rise in aluminium consumption in China, while global growth was 1.7%. This significant increase in demand was driven by China's decarbonisation efforts, as this metal forms a key component in the manufacturing of renewable energy products, from electric vehicles to solar panels.

Our Chinese partners, Mingtai Aluminum, were the very first company to test the ALLOW INERTA™ primary aluminium manufactured using our groundbreaking inert anode technology. In 2023, it successfully passed international verification and confirmed its lowest carbon footprint globally.

On top of this, we signed an agreement with China Energy Investment Corporation to collaborate on a project to construct a 1,000 MW-plus wind farm in the Amur region. This initiative will be the largest investment project in the area, as capital investments are already estimated to be more than RUB 100 billion.

Energized for creation

Amid the continuously changing business landscape, we are proving to be extremely adaptive through promptly developing our strategies to enter new markets and launch innovative products. In this context, I would like to point to the high level of professionalism, responsibility, and creative approach to problem solving as demonstrated by the Company's management. I would also like to express my gratitude to the entire team for their unwavering commitment to achieving our goals.

I would like to extend a special thank you to shareholders and partners of our Company and to our employees for their trust and support in these challenging times. We are confident that our combined efforts, vast experience, expertise, and our shared vision for success will enable us to overcome any challenges and keep moving forward together.

We know that it is the synergy of our skills and capabilities as well as close collaboration and partnerships that will underpin our joint success. Thank you for your commitment to our shared goals!

Business model

Capital

SASB: IF-EU-000.D IF-EU-000.C

NATURAL

22.0 mtpa
Total bauxite capacity

9.0 mtpa
Total alumina capacity[1]

710.5 m³
Water consumption

INTELLECTUAL

>100
professional training and development programmes for En+ Group employees

"A"
ESG sustainable corporate governance rating of Russian companies by Da-Strategia Group consulting firm

PRODUCTIVE

19.5 GW
Total installed electrical capacity

4.2 mtpa
Aluminium capacity[2]

41,999 km
of power lines in our networks

HUMAN

~90,000
employees on 5 continents

79 %
Employee satisfaction

FINANCIAL

USD **26.4** mn
Total assets

USD **1.4** mn
Capital expenditure

SOCIAL AND REPUTATIONAL

A– (RU), "Positive "
Credit rating

ESG-A, "Stable"
ESG rating

1 RUSAL attributable capacity.
2 Excluding Boguchany Aluminium Smelter (BoAZ), a joint 50/50 project of RUSAL and strategic partner. Ten aluminium smelters in operation (ALSCON in Nigeria is mothballed).

Output

POWER SEGMENT

PRODUCTION

68.8 TWh
Hydropower

27.4 mn Gcal
Heat

16.4 TWh
Thermal energy

56.9 TWh
of electricity transmitted and distributed

SALES

83.5 TWh
sales of electricity on the wholesale market

23.6 TWh
sales of electricity on the retail market

162.5 GW
sales of capacity

For more details on value creation, see pages 334-335

METALS SEGMENT

PRODUCTION

13.4 mt
Bauxites

4.5 mt
Nephelines

5.1 mt
Alumina

3.8 mt
Aluminium

SALES

4.2 mt
Aluminium

1.5 mt
Value-added products

Value for stakeholders

EMPLOYEES

USD **289** mn
Pension plan payments

USD **1,566** mn
Employee wages, including total retirement costs

CUSTOMERS

1.3 mt
of low-carbon ALLOW aluminium sold

4.17 out of 5
Average customer satisfaction score

SUPPLIERS

~62 %
Share of purchases from local suppliers

SHAREHOLDERS AND INVESTORS

USD **3.1** bn
Market capitalisation

USD **2.2** bn
Adjusted EBITDA

LOCAL COMMUNITIES AND NGOS

USD **62.3** mn
Social investments

USD **491** mn
Payments to governments

For more details on stakeholder engagement, see page 214

Strategy

1 MAXIMISING EFFICIENCY
2 INCREASING CAPACITY
3 DRIVING INNOVATION
4 ENSURING A STABLE FINANCIAL POSITION
5 COMMITTING TO SUSTAINABILITY

For more details on key risks, see page 204-207, on strategy, see pages 24-27

Strategy

GRI 3-3

The Group's strategy is focused on leading the Company to become the world's foremost vertically integrated producer of high-value-added products made from low-carbon aluminium by utilising self-produced renewable energy and raw materials.

We maintain our commitment to the Group's sustainable development strategy by enhancing manufacturing technology and modernising assets, simultaneously aiming to boost the production of cost-efficient aluminium, which will have a positive impact on our profit margins, financial stability, and debt burden.

<table>
<tr><th>STRATEGIC PRIORITIES</th><th>STRATEGIC OBJECTIVES</th><th>2023 HIGHLIGHTS</th><th>REFERENCE TO UN SDGs</th></tr>
<tr><td rowspan="2">Maximising efficiency
1</td><td>Vertical integration to secure a supply of raw materials

The Company prioritises achieving self-sufficiency in raw materials. The Metals segment is therefore committed to the following objectives:
• Return to at least 100% self-sufficiency in alumina for aluminium production
• Achieve 100% self-sufficiency in anodes for aluminium production
• Attain at least 100% and 80% self-sufficiency in flux and master alloys, respectively, for aluminium production

By using self-generated hydropower in the aluminium smelting process, we not only generate income for the Power segment by providing steady baseload demand for electricity but also effectively reduce the carbon footprint of primary aluminium production as almost 100% of energy used for smelting is renewable.</td><td>>90 %
of energy used in aluminium smelting is the Company's own hydropower supply

>85 %
Self-sufficiency in bauxites and nephelines

~65 %[1]
Self-sufficiency in alumina</td><td>7, 13</td></tr>
<tr><td>Production cost savings

To cut production costs, the Company aims to achieve independence from external raw material suppliers and strategically positions aluminium smelters near HPPs, capitalising on cost savings from location synergies.

En+ Group is dedicated to enhancing operational efficiency through digital transformation initiatives and robust business system integrations.</td><td>USD 11,366 mn
Total cost of sales

USD 86.2 mn
Total economic benefit from the implementation of business system projects at En+ Group (RUB 7.3 bn)[2]</td><td>8</td></tr>
<tr><td></td><td>Higher profitability

The Metals segment is prioritising the expansion of high-value-added product (VAP) capacity. The Aluminium Division is actively expanding its VAP capacity to offer more products like foil, powders, extrusions, and aluminium wheels.</td><td>1,547 kt
VAP sales volumes</td><td>8</td></tr>
<tr><td rowspan="2">Increasing capacity
2</td><td>Aluminium capacity expansions

The Group is consistently growing its aluminium capacity:
• In 2023 Taishet Aluminium Smelter was in the process of being commissioned marking it as the Group's most up-to-date and advanced aluminium operation, featuring state-of-the-art electrolysers
• Currently, the Company is planning for the second stage of Taishet and Boguchany Aluminium Smelter projects</td><td>540 ktpa
Planned capacity of the second stage of the Taishet project</td><td>8</td></tr>
<tr><td>Ramp-up of renewable generation capacity

The Company is actively pursuing the development of new renewable-energy facilities, including:
• new HPP projects
• solar capacity additions
• a wind farm project.

The New Energy programme for upgrading hydro capacity is also underway, aimed at boosting plant unit reliability and overall generation levels.</td><td>2.5 GW
Aggregate capacity of new hydro projects

2.4 billion kWh
additional generation through the New Energy programme starting from 2026

1 GW
Potential capacity of the proposed wind farm</td><td>7</td></tr>
</table>

1 Taking into account the loss of control over the Nikolaev Alumina Refinery and the Australian Government's ban on exporting alumina and aluminium ores to Russia.

2 Calculated based on the 2023 average USD/RUB exchange rate of RUB 85.25 per dollar.

Strategy

STRATEGIC PRIORITIES	STRATEGIC OBJECTIVES	2023 HIGHLIGHTS	REFERENCE TO UN SDGs
Ensuring a stable financial position 3	En+ Group remains focused on adapting to evolving circumstances and external influences, aiming to maintain robust liquidity and a solid financial standing.	USD 14,648 mn Revenue USD 2,157 mn Adjusted EBITDA 14.7% Adjusted EBITDA margin	8
Driving innovation 4	**Advancing and scaling aluminium and alloy production technologies** Key focal points in the Group's technology portfolio are refining our proprietary RA-400 aluminium production cells, priming our inert anode technology for commercial use, and scaling production technology for aluminium-scandium alloy-based VAPs.	0.01 t CO_2e GHG emissions per tonne of aluminium (Scope 1 and 2) produced with inert anode technology	8 13
	Driving renewable technology innovation The Company's Power Segment R&D projects include research into tandem perovskite solar panels, energy storage, green hydrogen transport.		7 13

STRATEGIC PRIORITIES	STRATEGIC OBJECTIVES	2023 HIGHLIGHTS	REFERENCE TO UN SDGs
Committing to sustainability 5	**Achieving carbon neutrality** The Company has set climate targets to achieve net-zero emissions by 2050 and to reduce GHG emissions by at least 35% by 2035 (from a 2018 baseline). We have also unveiled a detailed roadmap to achieve carbon neutrality.	65.9 mt of CO_2e Total GHG emissions (Scope 1, 2, and 3)	7 13
	Mitigating our environmental impact To eliminate or mitigate its environmental footprint across all businesses, En+ Group is strongly focused on driving R&D, adopting best available technology, and investing in modernisation.	USD 207 mn Total environmental protection spending[1]	6 12 15
	Human capital development Our key HR objectives are to recruit and retain highly skilled talent, boost employee engagement, and provide a supportive working environment with attractive working conditions that foster professional growth among our people and promote the well-being of their families.	12.8% Employee turnover	8
	Positive contribution to the development of our operating regions En+ Group's social investments are directed towards enhancing public health, facilitating opportunities for physical activity, ensuring equal access to high-quality and innovative education, developing accessible infrastructure, and providing support to individuals facing challenging circumstances.	USD 62.3 mn Social investments (RUB 5.3 bn)[1]	11
	Providing safe work environment Safety is our absolute priority in everything we do. En+ Group is committed to ensuring a safe working environment for its people, contractors, and partners.	0.76 Lost Time Injury Frequency Rate (LTIFR) per 1 million working hours	3

1 Calculated based on the 2023 average USD/RUB exchange rate of RUB 85.25 per dollar.

Business review

METALS SEGMENT REVIEW

Market overview

GLOBAL ALUMINIUM DEMAND

In 2023, aluminium consumption outlook remained bleak amid global economic uncertainty, rampant inflation, and persistent recession fears. Geopolitical tensions continue to put pressure on the global economy, disrupting supply chains and markets.

In 2023, the London Metal Exchange (LME) average aluminium price fell by USD 455 per tonne to USD 2,252 per tonne, hitting the lowest point of USD 2,068.5 per tonne in August 2023 after reaching USD 2,636 per tonne in mid-January 2023.

However, despite all these challenges, aluminium consumption increased to 70.2 mt in 2023 , up 1.7% year-on-year. Consumption in China increased to 42.8 mt[1], up 4.9% year-on-year. China's decarbonisation efforts drove an increase in demand for aluminium, which is a key component in the manufacturing of renewable energy products, from electric vehicles to solar panels. Aluminium consumption in the rest of the world (excluding China) decreased by 2.8% year-on-year to 27.4 mt[1] in 2023, hitting the 2015–2016 levels. Demand was primarily supported by sectors specifically linked to the green transition, namely the automotive and power generation industries. These two sectors were the only contributors to consumption growth in 2023.

70.2 mt

Worldwide consumption of primary aluminium in 2023
+1.7 y-o-y

The largest aluminium end-consumer sector is the automotive industry. In 2023, it accounted for nearly 25.5% of total consumption[1]. The increased focus on sustainability and environmental awareness around the world is driving the rapid growth of the electric-vehicle industry, with many countries setting ambitious targets to phase out internal combustion engine vehicles and promote the production of electric vehicles (EVs). According to market research firm Rho Motion, global sales of fully electric and plug-in hybrid electric vehicles (PHEVs) increased by 31% in 2023, down from 60% growth in 2022. Sales of fully electric or battery electric vehicles (BEVs) were 9.5 million units out of the 13.6 million EVs sold globally in 2023, the rest being hybrid vehicles. In 2024, the share of electric vehicles in global vehicle sales is expected to hit around 20% (14% for fully electric vehicles), up from around 17% in 2023[2].

The construction sector remains the second largest aluminium consumer, accounting for 21.4% of the total[1]. The construction industry continues to be under pressure, with new-build sales, new construction starts, and construction in progress all remaining in the negative territory in most countries for the year to date. High borrowing costs and uncertainty over monetary policy have affected aluminium demand.

Packaging sector consumption in 2023 accounted for 16.1% of total global consumption[1], which is 5.1% lower year-on-year due to weaker consumer demand amid high inflation.

The other sector showing aluminium consumption growth this year was the power generation industry, accounting for 15% of total consumption in 2023[1].According to the International Energy Agency (IEA), the pace of global renewable capacity expansion in 2023 was the fastest in the past 20 years, which could accelerate the world's progress towards its key climate goals by the end of this decade. According to the IEA data, global annual renewable capacity additions increased by 50% to 510 gigawatts (GW) in 2023, making it the 22nd year in a row that renewable capacity additions set a new record.

1 CRU. Long-term forecast for the aluminium market, December 2023, analysis by UC RUSAL.
2 Global electric car sales rose 31% in 2023 – Rho Motion | Reuters.
3 LME data.

GLOBAL ALUMINIUM SUPPLY

The worldwide supply of primary aluminium was up 3.5% year-on-year to 70.5 mt in 2023. Production in the rest of the world (excluding China) increased by 0.9% to 29.0 mt, driven by production restarts and capacity expansions in South America and India. Annual capacity totalling some 1.1 mt of aluminium in Europe remains suspended due to high electricity costs in previous years.

Aluminium production in China increased by 3.4% year-on-year to 41.5 mt in 2023 and is expected to continue growing in 2024 as new capacity comes online. By end-2023, the Chinese manufacturing sector posted net capacity additions of about 1.5 mt, taking into account new capacity additions totalling 3.9 mt and the restarts of production suspended earlier, as well as suspended capacity totalling 2.4 mt amid temporary supply cuts in certain regions. China's aluminium production capacity reached 45.3 mt by the end of 2023.

70.5 mt

Worldwide supply of primary aluminium in 2023
+3.5 y-o-y

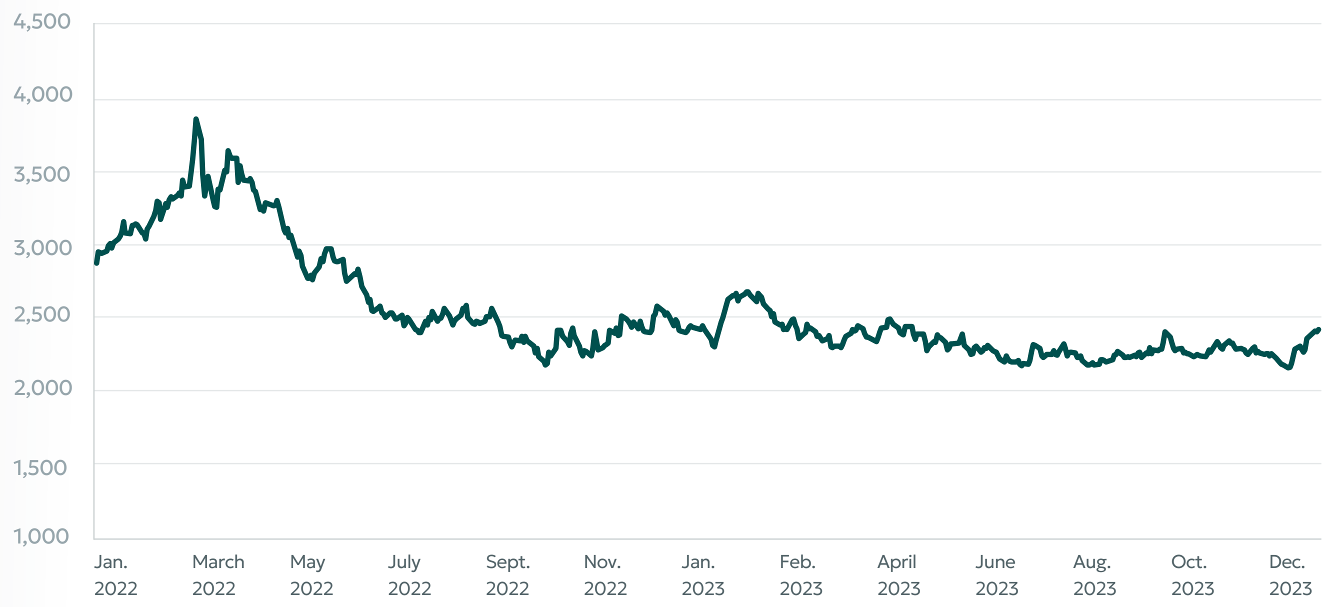
Overall, the global aluminium market was roughly balanced in 2023.

Chinese exports of unwrought aluminium and alloys to other countries was down year-on-year in 2023 due to weak external demand. In 2023, Chinese exports of unwrought aluminium, alloys, and semi-finished products decreased by 14.0% year-on-year to 5.7 mt. At the same time, imports of unwrought aluminium and alloys to China soared by 37.5% year-on-year to 2.7 mt in 2023. China plans to increase primary metal imports in the coming years due to capacity constraints amid stable aluminium demand.

In 2023, following a rise amid high trading volatility in the first five months of the year, aluminium inventories at the London Metal Exchange trended downwards until mid-December but then jumped by 120 kt to 566 kt towards the end of the year, bolstered mainly by metal deliveries from Russia, accounting for 90% of total inventories at the London Metal Exchange by 2023-end. The volume of metal stored outside of LME-approved warehouses (reported off-warrant stocks) fluctuated throughout 2023 and by the end of November increased by 166 kt to 439 kt.

Overall, regional aluminium premiums were mostly falling during the first 11 months of 2023 due to higher supply and weaker global spot market demand. In December 2023, the US Midwest aluminium premiums stabilised at about 18.80 cents per pound but started rising in Europe due to large price markups charged by sellers for delayed payments, sanctions against Russian aluminium, and supply chain risks in the Middle East. By end-2023, the European P1020 duty unpaid premium in-warehouse Rotterdam was USD 145 per tonne.

LME aluminium price performance[3], USD/t



Business review

Operational performance GRI 2-6 SASB EM-MM-000.A

ALUMINIUM

RUSAL owns 11[1] aluminium smelters located in three countries: Russia (nine plants), Sweden (one plant), and Nigeria (one plant). The Company's core operating assets are located in Siberia, Russia, accounting for approximately 94% of the Company's total aluminium output in 2023. Among those, BrAZ and KrAZ collectively represent over half of RUSAL's aluminium production. The Company also holds an 85% stake in a Nigeria-based smelter.

Throughout 2023, RUSAL continued to implement a comprehensive programme to control costs and streamline operating processes, reinforcing the Company's position as one of the world's most cost-efficient aluminium producers.

The Group's primary aluminium production for the year ended 31 December 2023 remained flat year-on-year at 3,848 kt. In 2023, VAP sales were 1,547 kt out of total sales of 4,153 kt.

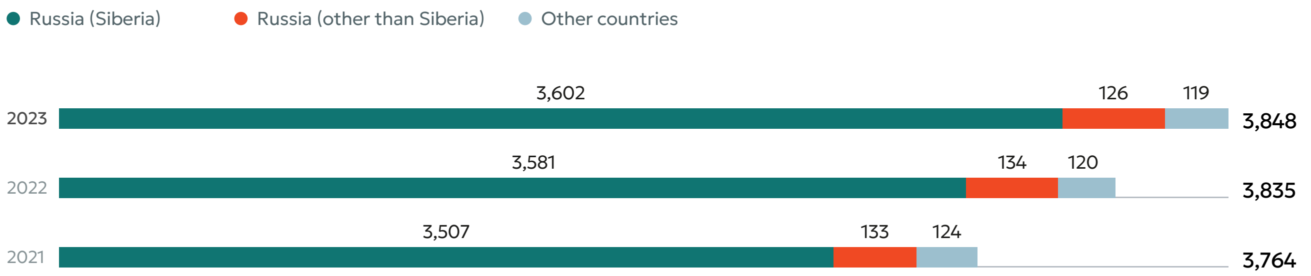
ALUMINA

As of the end of 2023, the Group owned eight[2] alumina refineries. RUSAL's alumina refineries are located in five countries: Ireland (one plant), Jamaica (two plants, one legal entity), Italy (one plant), Russia (four plants), and Guinea (one plant). In addition, the Company holds a 20% stake in QAL, an Australia-based alumina refinery.

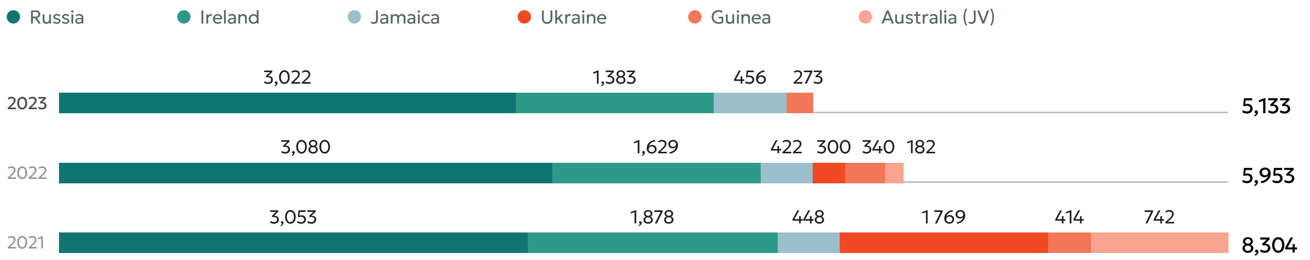
In 2023, RUSAL's total alumina production declined by 13.8% year-on-year to 5,133 kt, due primarily to:

- the shutdown of alumina production at the Nikolaev Alumina Refinery, prompted by the introduction of martial law in Ukraine
- the imposition of sanctions by the Australian government, resulting in the inability for Queensland Alumina Ltd to supply alumina to Company facilities
- reduced alumina output by the Aughinish Alumina Refinery caused by increased natural gas prices in Ireland.

Aluminium production, kt



Alumina production[3], kt



1 10 aluminium smelters in operation (Alscon in Nigeria has been mothballed).
2 Seven alumina refineries in operation now (Eurallumina in Italy is mothballed).
3 Pro-rata share of production attributable to the Group.
4 Taking into account the shutdown of alumina production at the Nikolaev Alumina Refinery and the Australian government's ban on exporting alumina and aluminium ores to Russia.
5 Bauxite output data: 1) were calculated based on a pro-rata share of the Company's interest in the corresponding bauxite mines and mining complexes; 2) include the total production volume by the Company's fully consolidated subsidiary, Bauxite Company of Guyana Inc., notwithstanding that minority interests in all similar subsidiaries are held by third parties; 3) are reported as wet weight (including moisture).
6 Original equipment manufacturer.

BAUXITES AND NEPHELINES

Bauxite and nepheline are essential raw materials for alumina production. In 2023, the Group was more than 85%[4] self-sufficient in both materials.

Bauxites

The Group operates seven bauxite mines. RUSAL's bauxite mines are located in four countries: Russia (two mines), Jamaica (one mine), Guyana (one mine), and Guinea (three mines). The Company's robust raw material base helps it secure sufficient supply for prospective expansion of its alumina production capacity. In addition, the Group sells bauxite to third parties.

The Group's total attributable bauxite output[5] was 13,376 kt in 2023, as compared with 12,319 kt in 2022. The higher output for 2023 was driven primarily by the resumption of operations at the Compagnie des Bauxites de Kindia mine thanks to bauxite exports to third parties and partially to the Aughinish Alumina Refinery.

Nephelines

RUSAL's total nepheline syenite production was 4,519 kt in 2023, up from 4,363 kt in 2022. The 3.6% rise in output was driven by the need to meet the nepheline ore demand of the consumer plant.

DOWNSTREAM PROJECTS

Foil and packaging

In 2023, the Group's foil production volume was 110.6 kt, a decrease of 0.7 kt, or 0.6%, from 2022. Domestic supply of plain foil, converted foil, and tape increased by 12.9 kt, or 18.5%, driven by a shift in focus towards the domestic market.

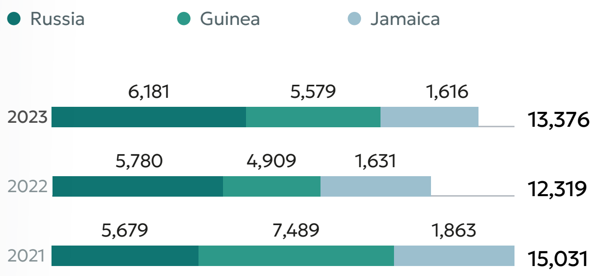
At the same time, the output of plain foil for export dipped by 13.7 kt, down 33.15% from 2022, amid lower demand for domestically produced foil.

Wheel business

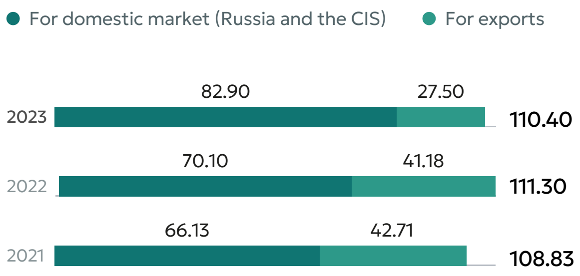
Wheel output surged by 41% in 2023, propelled by the recovery of the aluminium wheels market after the 2022 crisis.

In 2023, SCAD took steps to increase its share of the primary sales channels, boosting its presence in the OEM[6] channel from 40% to 70% year-on-year and in the aftermarket segment from 55% to 70% year-on-year.

Bauxite production[3], kt



Foil production, kt



Nepheline mines (Achinsk), kt, wet

Wheel business, ths pcs.

Business review

OTHER BUSINESSES

Secondary alloys

The amount of dross and aluminium-containing waste recycled into secondary aluminium decreased by 9 kt, or 56%, in 2023 compared to the previous year, which was attributed to the modified scrap recycling process within the Group.

Silicon production

Silicon output in 2023 rose by 15.7% to 50.9 kt compared to 2022.

Other mining assets

RUSAL's mining portfolio encompasses 15 mines and mining complexes, which include bauxite operations (whose resources are detailed above), two quartzite mines, one fluorite mine, two coal mines, one nepheline syenite mine, and two limestone mines.

The Company's long position in alumina capacity is supported by RUSAL's bauxite and nepheline syenite resource base.

RUSAL jointly owns two coal mines with Samruk-Energy, the energy division of Samruk-Kazyna, through a 50/50 joint venture, Bogatyr Coal LLP.

Bogatyr Coal LLP

Bogatyr Coal LLP, located in Kazakhstan, is a 50/50 joint venture between RUSAL and Samruk-Energy.

In 2023, the company produced approximately 42.93 mt of coal. As of 31 December 2023, Bogatyr Coal LLP held coal reserves across layers 1, 2, and 3, totalling 1.962 billion tonnes. Bogatyr Coal LLP recorded sales of approximately USD 247 million in 2022 and USD 286 million in 2023. Russian and Kazakh customers contributed approximately 24% and 76% of sales, respectively.

RUSAL'S PRODUCTS CREATED IN 2023

- Ligatures for high-tech alloys (production will meet half of the Company's demand for ligatures);
- PEFA foundry alloys for the automotive industry containing aluminium scrap;
- Aluminium pigment pastes with enhanced anti-corrosion properties;
- High-strength thin foil for batteries (20% higher strength compared to alloy 1050 foil);
- Heat-resistant powder alloy for 3D printing;
- High-strength AlZn alloy (up to 15% weight reduction in wheels and car suspension parts).

Investment in Norilsk Nickel

Norilsk Nickel is the world's largest producer of palladium and high-grade nickel and one of the leading producers of platinum, copper, and cobalt. As of the most recent reporting date, RUSAL held a 26.39% shareholding in Norilsk Nickel.

RUSAL's shareholding in Norilsk Nickel allows for significant earnings diversification through Norilsk Nickel's exposure to platinum group metals (PGMs) and non-ferrous metals (nickel, copper, and cobalt) and broadens RUSAL's strategic prospects.

26.39 %

RUSAL shareholding in Norilsk Nickel

USD 7,273 million

the market value of RUSAL's investment in Norilsk Nickel

Norilsk Nickel's profile and financial results[1]

As of 31 December 2021, Norilsk Nickel's resource base on the Taimyr Peninsula and Kola Peninsula consisted of 1,293 mt of proved and probable ore reserves and 1,824 mt of measured and indicated mineral resources. Its primary assets are situated in the Norilsk Industrial District, the Kola Peninsula, and the Trans-Baikal Territory in Russia, as well as in Finland. In 2021, the proven and probable ore reserves on the Taimyr Peninsula and Kola Peninsula saw a notable increase, primarily driven by the commencement of mining projects and the development of design documentation.

In 2023, Norilsk Nickel produced 209 kt of nickel (a 5% decrease year-on-year), 425 kt of copper (a 2% decrease year-on-year), 2,692 koz of palladium (a 4% decrease year-on-year), and 664 koz of platinum (a 2% increase year-on-year).

In 2023, production of non-ferrous metals such as nickel and copper declined due to reduced ore extraction volumes stemming from testing and commissioning of mining equipment from new suppliers. Additionally, process adjustments were made to enhance the quality of copper cathodes to meet the specifications of new customers.

In PGMs, in 2023, palladium production was down, while platinum production was up. These mixed trends were linked to shifts in the share of PGMs in the feedstock mix.

Norilsk Nickel maintains diversified metal sales across various regions. Meanwhile, in 2023, the proportion of sales to Asia and Russia rose compared to 2022, whereas sales to Europe, North America, and South America saw a decline.

As of 31 December 2023, the market value of RUSAL's investment in Norilsk Nickel stood at USD 7,273 million, representing a decrease compared to the market value as of 31 December 2022 (USD 8,775 million). Norilsk Nickel's ongoing market value decline is driven by escalating geopolitical tensions, the imposition of economic restrictions against Russia by several countries, lower prices for key metals, particularly palladium, and an increasing tax burden on the company.

Ni 28

209 kt

Norilsk Nickel produced in 2023

1 Production, financial, and operational data in this section are derived from https://nornickel.com/.

Business review

BEMO project

The project pursued by the Boguchany Energy and Metals Complex (BEMO) involves the construction of the 3,000-MW Boguchany HPP (with a projected average annual electricity output of 17.6 billion kWh) and Boguchany Aluminium Smelter (BoAZ), capable of producing 600 kt of metal per annum in the Krasnoyarsk Territory in Siberia.

BoAZ was constructed in two phases, each designed to produce 298 kt of aluminium annually. The initial segment of the first stage, producing 149 kt of aluminium annually with 168 electrolysers, was launched in 2015. Subsequently, the second segment of the first stage came online in March 2019. In May 2019, the first stage of the smelter reached its design capacity. In 2023, production of aluminium and alloys reached 300 kt, marking an increase of 2 kt year-on-year.

The potential construction of the second stage of the BoAZ plant will be considered jointly with the strategic partner, contingent upon market conditions and project funding availability.

Boguchany HPP represents the fourth phase of the Angara cascade HPP, constituting Russia's largest hydro project ever completed. Construction of the power plant was suspended in Soviet times due to the lack of financing but was resumed in May 2006 by RUSAL and strategic partner, who agreed to join efforts to complete the project.

The project's 79-metre-high and 2,587-metre-long composite gravity rock-fill dam was completed at the end of 2011, and nine 333-MW hydropower units of Boguchany HPP commenced operation between 2012 and 2014. The total installed capacity of all nine operating hydropower units amounts to 2,997 MW.

The hydropower plant started commercial electricity supply to the wholesale electricity and capacity market on 1 December 2012. In 2023, the hydropower plant produced and supplied 19.924 TWh of electricity to the wholesale electricity and capacity market, marking a 0.6% increase of 0.116 TWh compared to 2022.

Assets overview

Aluminium smelters

	Location	Installed capacity	2022 production	2023 production	Capacity utilisation rate (%)
Bratsk Aluminium Smelter	Russia (Irkutsk Region)	1,009 ktpa	1,005 kt	1,005 kt	100%
Krasnoyarsk Aluminium Smelter	Russia (Krasnoyarsk Territory)	1,019 ktpa	1,017 kt	1,014 kt	100%
Sayanogorsk Aluminium Smelter	Russia (Republic of Khakassia)	542 ktpa	539 kt	538 kt	99%
Novokuznetsk Aluminium Smelter	Russia (Kemerovo Region)	215 ktpa	213 kt	204 kt	99%
Khakas Aluminium Smelter	Russia (Republic of Khakassia)	297 ktpa	306 kt	304 kt	103%
Irkutsk Aluminium Smelter	Russia (Irkutsk Region)	422 ktpa	424 kt	425 kt	101%
Taishet Aluminium Smelter[1]	Russia (Irkutsk Region)	428 ktpa	78 kt	112 kt	26%
Kandalaksha Aluminium Smelter	Russia (Murmansk Region)	76 ktpa	64 kt	57 kt	79%
Volgograd Aluminium Smelter	Russia (Volgograd Region)	69 ktpa	70 kt	69 kt	106%
KUBAL	Sweden	128 ktpa	120 kt	119 kt	93%
ALSCON[2]	Nigeria	–	–	–	0%
Boguchany Aluminium Smelter[3]	Russia (Krasnoyarsk Territory)	292 ktpa	298 kt	300 kt	100%

Alumina refineries

	Location	Installed capacity	2022 production	2023 production	Capacity utilisation rate (%)
Achinsk Alumina Refinery	Russia (Krasnoyarsk Territory)	1,069 ktpa	913 kt	872 kt	85%
Bogoslovsk Aluminium Smelter	Russia (Sverdlovsk Region)	1,030 ktpa	994 kt	988 kt	96%
Urals Aluminium Smelter	Russia (Sverdlovsk Region)	900 ktpa	917 kt	918 kt	102%
PGLZ Alumina Refinery	Russia (Leningrad Region)	265 ktpa	256 kt	244 kt	92%
Friguia Alumina Refinery	Guinea	650 ktpa	340 kt	273 kt	42%
Queensland Alumina Ltd.[6]	Australia	3,950 ktpa	182 kt	0 kt	0%
Eurallumina[2]	Italy	1,085 ktpa	–	–	0%
Aughinish Alumina Refinery	Ireland	1,990 ktpa	1,629 kt	1,383 kt	69%
Windalco	Jamaica	1,210 ktpa	422 kt	456 kt	38%
Nikolaev Alumina Refinery[5]	Ukraine	1,759 ktpa	300 kt	–	17%

Bauxite mines

	Location	Installed capacity	2022 production	2023 production	Capacity utilisation rate (%)
Timan Bauxite	Russia (Komi Republic)	3,500 ktpa	3,542 kt	3,923 kt	112%
North Urals Bauxite Mine	Russia (Sverdlovsk Region)	3,000 ktpa	2,238 kt	2,258 kt	75%
Compagnie des Bauxites de Kindia	Guinea	3,500 ktpa	831 kt	2,670 kt	76%
Friguia Bauxite and Alumina Complex[2]	Guinea	2,100 ktpa	1,253 kt	837 kt	40%
Bauxite Company of Guyana Inc.[6]	Guyana	1,700 ktpa	–	–	0%
WINDALCO	Jamaica	4,000 ktpa	1,631 kt	1,616 kt	40%
Bauxite Company of Dian-Dian	Guinea	4,200 ktpa	2,825 kt	2,072 kt	49%

1 Pre-commissioning and verification tests began in December 2021.
2 Mothballed.
3 A 50/50 joint venture between RUSAL and strategic partner. The capacity and production volumes of the BEMO project
4 Pro-rata share of capacity and production attributable to RUSAL.
5 Since March 2022, production has been terminated.
6 As of February 2020, production was mothballed.

Business review

POWER SEGMENT

Market overview[1]

OVERVIEW OF THE RUSSIAN POWER SECTOR

The Russian Federation's power sector is among the largest in the world: as of 2023, total installed capacity of power plants within the United Energy System of Russia (UES of Russia) was 248.2 GW, generating a total of 1,134.0 TWh of electricity in 2023.

The UES of Russia covers the most populated areas of the country. Grid interconnections between various energy systems are limited due to vast distances, so the Russian wholesale electricity and capacity market is divided into two pricing zones and four non-pricing zones.

The first pricing zone, the Europe-Urals zone,[2] encompasses the European region of Russia and includes integrated energy systems (IES) such as the North-West, Central, Middle Volga, Urals, and South.

The second pricing zone, the Siberian IES, encompasses Siberia. The electricity prices of the two pricing zones are driven by the differences in capacity and fuel mix in the respective pricing zones. Network constraints play a significant role in the second pricing zone.

Non-pricing zones include the Kaliningrad Region, Arkhangelsk Region, Komi Republic, and Russian Far East regions. These regions operate under special electricity pricing rules rather than market conditions.

Most of the Group's energy assets are located in the second pricing zone, within the Siberian IES. The Siberian IES has an operational area of 4,944,300 km2, with a population of more than 19 million. The Siberian IES comprises 122 power plants with a total installed capacity of 52.4 GW, including 25.4 GW of HPPs (48%), 26.6 GW of CHPs (51%), and 400 MW of solar power plants (1%). The backbone grid of the Siberian IES consists3 of 110-kV, 220-kV, 500-kV, and 1,150-kV lines, with a total length of 103,771 km.

A unique feature of the Siberian IES is the significant role of HPPs in both the installed electrical capacity mix and electricity output. Thermal power in the Siberian IES communities is generated mainly through coal-fired power plants, primarily located near coal-mining regions.

ELECTRICITY DEMAND

Electricity consumption in the UES of Russia rose by 1.4% year-on-year to 1,121.6 TWh in 2023. Electricity consumption in the Europe-Urals pricing zone grew by 1.0% to 845.8 TWh and 2.3% to 229.9 TWh in the Siberian IES.

ELECTRICITY GENERATION

As of 1 January 2024, total installed electrical capacity of the UES of Russia was 248.2 GW, reflecting an increase of 0.6 GW in 2023. This growth was attributed to the commissioning of new capacity totalling 0.7 GW, retirement of obsolete generation with a combined capacity of 0.4 GW, and the capacity increase of 0.2 GW due to other factors such as uprating.

In 2023, electricity production in the UES of Russia increased by 1.1% year-on-year, reaching a total of 1,134.0 TWh.

ELECTRICITY AND CAPACITY PRICES

Within the Siberian IES, electricity spot prices are dictated by the marginal costs of the least efficient coal-fired power plants among those in demand, with HPPs operating as price takers. Over the long term, electricity prices tend to move with thermal coal prices. A significant proportion of the power generated by Siberian CHPs is produced using locally sourced brown coal. Due to seasonality in demand and the fluctuating availability of hydropower, electricity prices can exhibit significant fluctuations throughout the year. One of the primary factors with significant medium-term influence is the inflow and water reserves in Siberian HPPs' reservoirs, driving the availability of low-cost hydropower in the wholesale market. The capacity market operates somewhat differently from the electricity market, reflecting the long-term nature of decision making. The primary method for selling capacity on the wholesale market is through competitive capacity auctions (CCAs), enabling the selection of the most suitable mix of generating capacities to meet projected demand and establishing a single capacity price within each pricing zone. Currently, CCA capacity prices are set through to 2026 and are then adjusted annually using the Consumer Price Index (CPI) from the previous year minus 0.1%, from 1 January of the CCA year until 1 January of the delivery year.

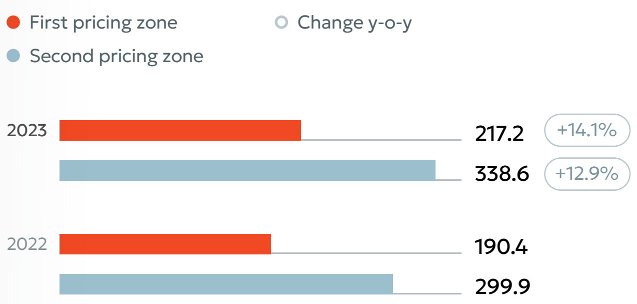
1 Unless otherwise stated, data sources in the Market Overview section include TSA, NP Market Council Association, and System Operator of the United Energy System.
2 Comprises the Central, Middle Volga, Urals, North-West, and South energy systems.
3 According to the System Operator of the United Energy System of Russia (www.so-ups.ru).

Capacity prices

Price determined in capacity auctions (ex. CPI, RUB'000/MW/month)

	2022	2023	2024	2025	2026
Second pricing zone	264	267	279	303	299

Capacity prices (including CPI minus 0.1% adjustment), ths RUB/MW/month

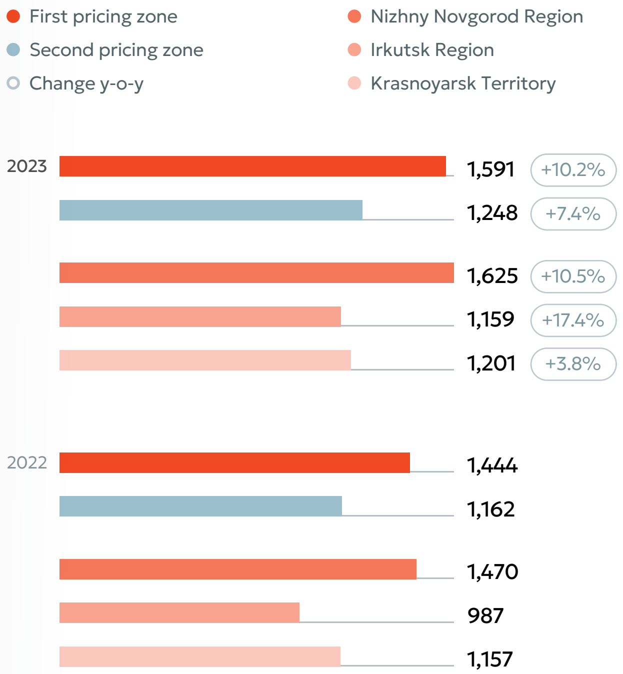


The CCA-resulting price for the first pricing zone increased by 14.1% year-on-year, including the CPI minus 0.1% adjustment, while the capacity price for the second pricing zone rose by 12.9% year-on-year, including the CPI minus 0.1% adjustment.

A key contributor to higher CCA prices in 2023 vs 2022 was adjustment for actual 2022 inflation rate of 11.94%.

Electricity prices

Electricity spot prices[4], RUB/MWh



In 2023, the average spot price in the day-ahead market for the second pricing zone reached RUB 1,248 per MWh, a 7.4% increase from 2022. This upward trend was caused by lower HPP generation between January and May amid increased electricity consumption as well as by higher CHP price bid levels with changes in the bidding mix.

In 2023, the average spot prices in the Irkutsk Region and Krasnoyarsk Territory stood at RUB 1,159 per MWh and RUB 1,201 per MWh, respectively, marking a 17.4% and 3.8% year-on-year increase, respectively. The price growth rate in the Irkutsk Region exceeded that in the Krasnoyarsk Territory due to several factors: lower generation from the Angara cascade HPPs between January and May, increased electricity consumption in the Irkutsk Region, and higher CHP price bids levels amid ongoing transmission constraints for cross-flows to the Irkutsk Region.

1,134 TWh

Total generation of UES Russia in 2023
+1.1% y-o-y

4 Day-ahead market. NP Market Council Association data.

Business review

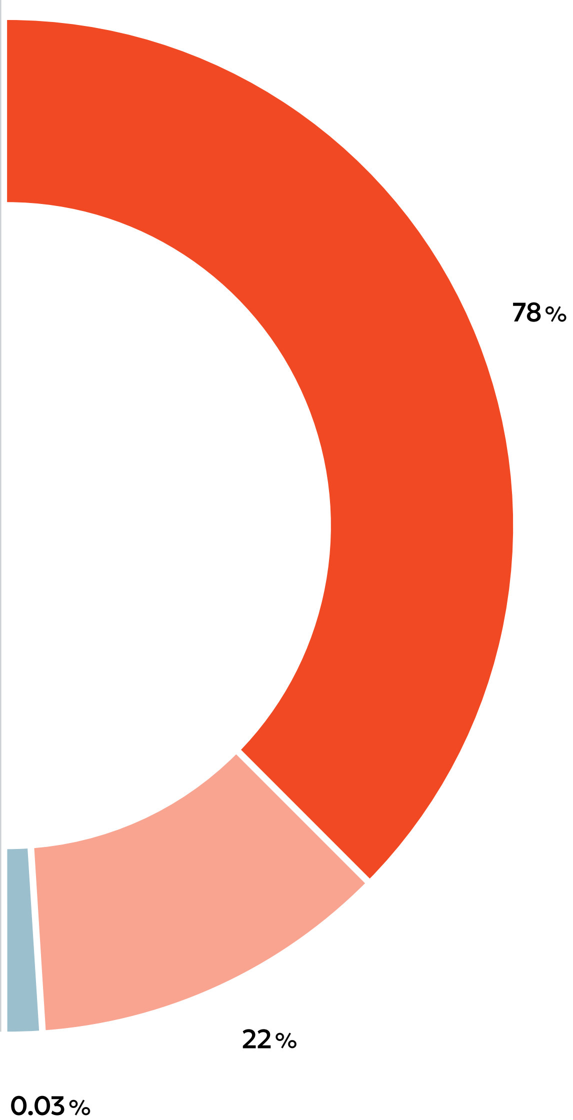
Operational performance

GRI 2-6

As of 31 December 2023, the Group's total installed electrical capacity stood at 19.5 GW[1], while the aggregate installed heat capacity was 14.2 Gcal/h. As of 31 December 2023, HPPs represented 77.9% of the installed electrical capacity, while the remaining 22.1% was accounted for by predominantly coal-fired CHPs and one solar power plant.

In 2023, the Company generated 85.2 TWh[2] of electricity, constituting 37.9% of the Siberian IES' total electricity production for the period.

En+ Group's installed capacity by generation type[3], %



HYDROPOWER GENERATION

Hydropower generation is the main focus of the Group's Power segment. The Group operates five HPPs[4], including three of the five largest HPPs in Russia and of the twenty largest HPPs globally, in each case in terms of installed electrical capacity. In 2023, the Power segment's HPPs produced 68.8 TWh of electricity, or 80.79% of the Group's total electricity production.

In 2023, the total output of the Group's Angara cascade HPPs (Irkutsk, Bratsk, and Ust-Ilimsk) decreased by 2.0% year-on-year to 53.1 TWh. This decline can be attributed to the high water reserves in Lake Baikal and the Bratsk reservoir in the beginning of 2022 and on average in 2022. In 2023, water levels in Lake Baikal reached 457.15 m (38 centimetres above the long-term average), an increase from 456.86 m in 2022. Additionally, the Bratsk reservoir water level in 2023 was 402.01 m (3.2 m higher than the long-term average), compared to 401.28 m in 2022.

Total generation from Krasnoyarsk HPP rose by 6.8% year-on-year in 2023, from 14.8 TWh to 15.8 TWh. The increase was the result of a more intensive state-regulated drawdown in the Krasnoyarsk reservoir compared to 2022, driven by increased hydro resources. The maximum level of the Krasnoyarsk reservoir reached 236.05 m, marking an increase of 2.03 m compared to the 2022 level and remaining 3.63 m below the long-term average annual maximum.

CHP ELECTRICITY AND HEAT GENERATION

Power generation by the Group's CHPs rose by 10.1% year-on-year to 16.4 TWh in 2023. The increase was driven primarily by a 4.0% (increase by 295 MW) year-on-year surge in electricity consumption within the Irkutsk energy system, along with reduced generation from the Angara cascade HPPs in the first half of 2023.

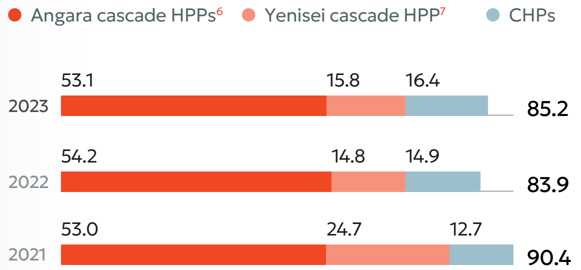
Heat generation totalled 27.4 million Gcal and experienced a 0.7% year-on-year decrease, which was attributed to weather conditions. The average monthly temperature in 2023 was 0.2°C higher than in 2022.

SPP ELECTRICITY GENERATION

Abakan SPP generated 6.0 GWh in 2023, marking a 1.7% year-on-year increase attributed to more sunny days during the reporting period.

1 Including Ondskaya HPP, with an installed electrical capacity of 80 MW (located in the European part of Russia, leased to UC RUSAL); excluding Boguchanskaya HPP, with an installed electrical capacity of 2,997 MW (a 50/50 JV between UC RUSAL and strategic partner).
2 Excluding Ondskaya HPP, with an installed electrical capacity of 80 MW (located in the European part of Russia, leased to UC RUSAL) and Boguchanskaya HPP (a 50/50 JV between UC RUSAL and strategic partner).
3 As of 31 December 2023.
4 Including Ondskaya HPP with an installed capacity of 80 MW (located in the European part of Russia, leased to UC RUSAL).

Total electricity production[5], TWh



Heat generation, mn Gcal

COAL PRODUCTION

The Coal segment provides the Group's CHPs with a self-sufficient coal resource base and covers its internal coal demand. Part of the coal production (18% in 2023) is sold to third parties.

RETAIL

The Company purchases electricity on the wholesale market, sourcing it from both the Group's generating companies and third-party suppliers through its subsidiaries Irkutskenergosbyt LLC, Volgaenergosbyt JSC, and MAREM+ LLC, and then resells this electricity on the retail market to both industrial consumers without access to the wholesale market and household consumers. The Group directly sells heat and electricity to end consumers. In 2007, the Group's subsidiaries in the Irkutsk and Nizhny Novgorod Regions were designated as guaranteeing suppliers within their respective regions.

This status requires the Group to enter into an electricity supply contract with any consumer within the boundaries of these operational areas who applies for such a contract.

ELECTRICITY TRANSMISSION AND DISTRIBUTION

As of 31 December 2023, the Group operated a transmission and distribution system comprising approximately 42.0 thousand km of high- and low-voltage lines, facilitating an annual net electricity output of approximately 56.9 TWh. Through this system, the Group delivers electricity generated by the Angara cascade HPPs to both wholesale and retail customers, including aluminium smelters within the Metals segment. Other generating facilities within the Group, such as Krasnoyarsk HPP and Avtozavodsk CHP, do not rely on this transmission network as they do not fall within its service area.

5 Excluding Ondskaya HPP, with an installed power capacity of 80 MW (located in the European part of Russia, leased to UC RUSAL), and Boguchany HPP, with an installed power capacity of 2,997 MW (a 50/50 JV between UC RUSAL and strategic partner).
6 Includes Irkutsk, Bratsk, and Ust-Ilimsk HPPs.
7 Krasnoyarskaya HPP.

Business review

Assets overview GRI EU-1

Hydropower plants

	Location	Installed capacity	2022 production	2023 production
Irkutsk HPP	Russia (Irkutsk Region)	732,5 MW	4.7 TWh	4.6 TWh
Bratsk HPP	Russia (Irkutsk Region)	4,500 MW	25.9 TWh	25.1 TWh
Ust-Ilimsk HPP	Russia (Irkutsk Region)	3,840 MW	23.7 TWh	23.4 TWh
Krasnoyarska HPP	Russia (Irkutsk Region)	6,000 MW	14.8 TWh	15.8 TWh

Combined heat and power plants

	Location	Installed capacity	2022 production	2023 production
CHP-10	Russia (Irkutsk Region)			
Electricity		1,110 MW	4.6 TWh	4.9 TWh
Heat generation		574.0 Gcal/h	0.4 mn Gcal	0.3 mn Gcal
CHP-9	Russia (Irkutsk Region)			
Electricity		540.0 MW	2.0 TWh	2.5 TWh
Heat generation		2,190.5 Gcal/h	5.8 mn Gcal	6.0 mn Gcal
Novo-Irkutsk CHP	Russia (Irkutsk Region)			
Electricity		726 MW	2.8 TWh	3.3 TWh
Heat generation		1,959.2 Gcal/h	5.8 mn Gcal	5.9 mn Gcal
Ust-Ilimsk CHP	Russia (Irkutsk Region)			
Electricity		515 MW	0.9 TWh	0.9 TWh
Heat generation		1,015.0 Gcal/h	2.0 mn Gcal	2.1 mn Gcal
CHP-11	Russia (Irkutsk Region)			
Electricity		320.3 MW	0.8 TWh	0.7 TWh
Heat generation		1,056.9 Gcal/h	1.0 mn Gcal	1.0 mn Gcal
CHP-6	Russia (Irkutsk Region)			
Electricity		284.9 MW	0.7 TWh	0.9 TWh
Heat generation		1,769.1 Gcal/h	3.5 mn Gcal	3.3 mn Gcal
Novo-Ziminsk CHP	Russia (Irkutsk Region)			
Electricity		260 MW	1.2 TWh	1.3 TWh
Heat generation		773.0 Gcal/h	1.5 mn Gcal	1.5 mn Gcal

Combined heat and power plants

	Location	Installed capacity	2022 production	2023 production
Avtozavodsk CHP	Russia (Nizhny Novgorod Region)			
Electricity		480 MW	1.6 TWh	1.6 TWh
Heat generation		2,172.0 Gcal/h	3.3 mn Gcal	3.1 mn Gcal

Solar power plants

	Location	Installed capacity	2022 production	2023 production
Abakan SPP	Russia (Republic of Khakassia)	5.2 MW	5.9 mn kWh	6.0 mn kWh

Other assets[1]

	Installed capacity	2022 production	2023 production
Electricity	136.4 MW	0.7 TWh	0.6 TWh
Heat generation	2,660.0 Gcal/h	4.5 mn Gcal	4.1 mn Gcal

energized for action

En+ Group's electric charging stations

The En+ Group network of electric charging stations comprises 19 locations, with 18 situated in the Irkutsk Region and one additional location in Krasnoyarsk. These stations serve all districts of the regional centre, as well as key routes, including sections of the federal highways Baikal and Siberia and roads to the Olkhonsky District and Listvyanka. At the end of 2023, the number of charging sessions at En+ Group's electric charging stations exceeded 100 thousand. Altogether, over 530 thousand kWh of electricity has been consumed since 2020, when the first stations were opened, with 260 thousand kWh consumed in 2023 alone, highlighting the growing popularity of charging stations. Moreover, more than 1,500 people became new customers.

100 ths

number of charging sessions at En+ Group's electric charging stations as of the end of 2023

1 Other assets include Onda HPP and small-scale generating and heat-producing facilities.

Financial review

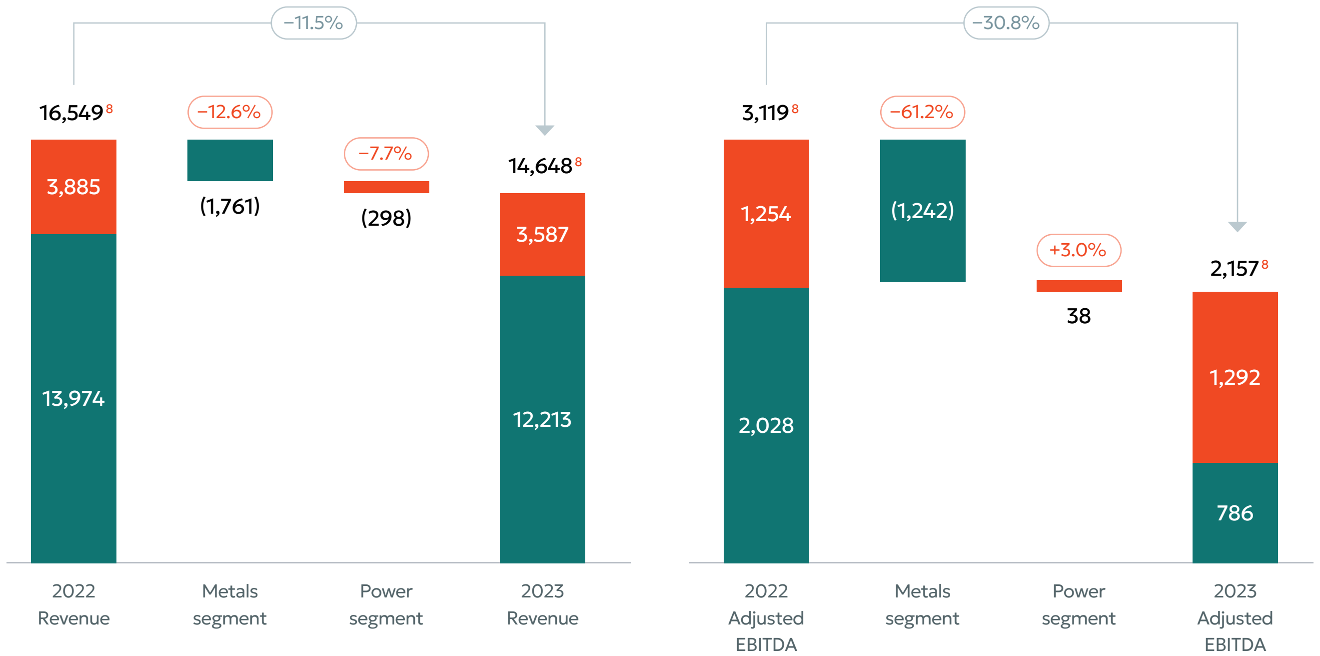
Key highlights

The following table presents selected data from the Group's key financial information, USD mn

	As at or for the year ended 31 December		
	2023	2022	2021
Revenue	**14,648**	**16,549**	**14,126**
Gross profit Gross profit margin	3,282 22.4%	4,493 27.1%	4,952 35.1%
Results from operating activities (EBIT) Operating profit margin	1,030 7.0%	2,006 12.1%	2,898 20.5%
Pre-tax profit	**876**	**2,453**	**4,138**
Profit for the year Net profit margin[1]	716 4.9%	1,846 11.2%	3,534 25.0%
Adjusted EBITDA[2] Adjusted EBITDA margin[3]	2,157 14.7%	3,119 18.8%	3,992 28.3%
Net debt[4]	8,717	10,123	8,581
Net working capital[5]	3,417	4,474	2,753
Free cash flow[6]	642	(633)	1,705
Basic earnings per share[7]	1.186	2.156	4.264
Equity attributable to shareholders of the Company	6,921	7,480	5,775

Change in revenue and adjusted EBITDA, USD mn

Power segment · Metals segment · Change 2022 to 2023 (%)



The results of the Group's operations are divided into the Power and Metals segments. The Power segment comprises the power industry, including power generation, trading, and supply. It also includes supporting operations engaged in the supply of coal to the Group. The Metals segment consists of RUSAL, including RUSAL's equity investment in Norilsk Nickel.

When making period-to-period comparisons of operating results, the Group presents consolidated results after intersegmental eliminations in order to analyse changes, developments, and trends by reference to the individual segment's results (the Power and Metals segments). Amounts attributable to the segments are presented before intersegmental eliminations.

REVENUES

The following table presents the Group's revenue from sales broken down by core product, for the years indicated:

	Year ended 31 December		
USD mn	2023	2022	2021
Sales of primary aluminium and alloys	9,933	11,384	9,766
Sales of electricity	1,646	1,844	1,525
Sales of alumina and bauxite	513	557	612
Sales of semi finished products and foil	864	921	767
Sales of heat	476	525	465
Other revenue	1,216	1,318	991
Total revenues	**14,648**	**16,549**	**14,126**

The following table presents the Group's revenue from sales broken down by core product, USD mn

Sales of primary aluminium and alloys · Sales of electricity · Sales of alumina and bauxite
Sales of semi finished products and foil · Sales of heat · Other revenue

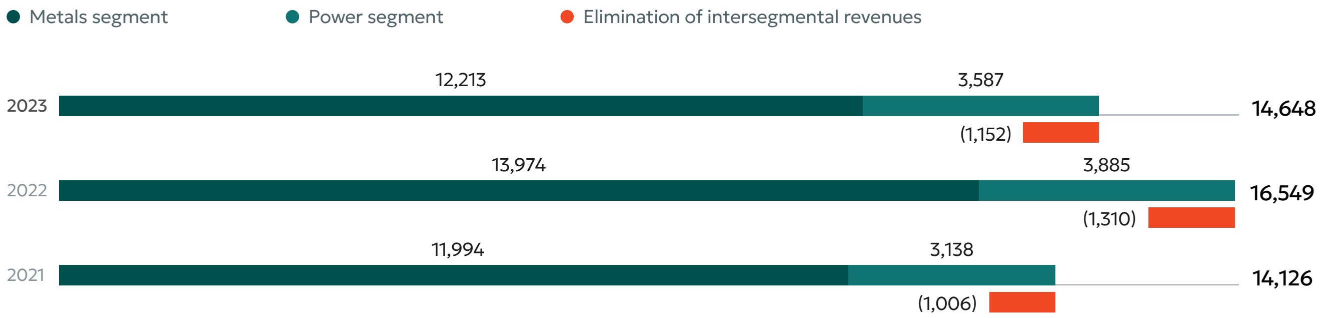
1 Net profit margin for any period represents net profit or loss for the relevant period divided by total revenues for the relevant period and expressed as a percentage, in each case attributable to the Group, Power segment, or Metals segment, as the case may be.
2 Adjusted EBITDA for any period represents the results from operating activities adjusted for amortisation and depreciation, impairment of non current assets, and gain/loss on disposal of property, plant and equipment for the relevant period, in each case attributable to the Group, Power segment, or Metals segment, as the case may be.
3 Adjusted EBITDA margin for any period represents adjusted EBITDA for the relevant period divided by total revenues for the relevant period and expressed as a percentage, in each case attributable to the Group, Power segment, or Metals segment, as the case may be.
4 Net debt represents the sum of loans, borrowings, and bonds outstanding less total cash and cash equivalents as at the end of the relevant period, in each case attributable to the Group, Power segment, or Metals segment, as the case may be.
5 Net working capital represents inventories plus short term trade and other receivables (excluding dividends receivable from related parties) less trade and other payables (excluding dividends payable) as at the end of the relevant period, in each case attributable to the Group, Power segment, or Metals segment, as the case may be.
6 Free cash flow means, for any period, the cash flows generated from operating activities less net interest paid, capital expenditures, restructuring fees, and other payments related to issuance of shares, adjusted for payments from settlement of derivative instruments, plus dividends from associates and joint ventures.
7 The earnings per share calculation is based on a weighted average number of shares of 502 million in 2023 and 2022.
8 After consolidation adjustments.

Financial review

The following table presents the Group's revenue by business segment for the years indicated:

	Year ended 31 December		
USD mn	**2023**	**2022**	**2021**
Metals segment	12,213	13,974	11,994
Power segment	3,587	3,885	3,138
Business segment revenues	**15,800**	**17,859**	**15,132**
Elimination of intersegmental revenues	(1,152)	(1,310)	(1,006)
Total revenues	**14,648**	**16,549**	**14,126**

Group's revenue by business segment, USD mn



The Group's revenue is mainly attributable to the Metals segment's operations.

The Group's revenue decreased by USD 1,901 million, or 11.5%, from USD 16,549 million in 2022 to USD 14,648 million in 2023. The decline was primarily driven by lower revenue in the Metals segment due to a 16.8% drop in the LME aluminium price to an average of USD 2,252 per tonne in 2023, from USD 2,707 per tonne in 2022. This was partially offset by a 6.6% year-on-year increase in primary aluminium and alloys sales volume. The Group's revenue was also negatively affected by a significantly stronger dollar during the year, resulting in a 7.7% decline in revenue for the Power segment.

COST OF SALES

The following table presents the Group's cost of sales by segment for the years indicated:

	Year ended 31 December		
USD mn	**2023**	**2022**	**2021**
Metals segment	10,445	10,770	8,273
Power segment	2,143	2,422	1,821
Business segment cost of sales	**12,588**	**13,192**	**10,094**
Elimination of intersegmental cost of sales	(1,222)	(1,136)	(920)
Total cost of sales	**11,366**	**12,056**	**9,174**

The cost of sales in the Power and Metals segments reflects costs directly associated with the sale and production of the core products and services of both groups of companies. For the Power segment, the cost of sales primarily includes the costs of electricity and capacity purchased for resale, raw materials and fuel, personnel expenses, and depreciation and amortisation.

For the Metals segment, the cost of sales mainly consists of the cost of energy, alumina, bauxite, other raw materials, personnel expenses, and depreciation and amortisation.

The Group's cost of sales decreased by USD 690 million, or 5.7%, from USD 12,056 million in 2022 to USD 11,366 million in 2023, mainly due to a weaker rouble.

GROSS PROFIT

The Group's gross profit for 2023 decreased by USD 1,211 million, or 27.0%, to USD 3,282 million from USD 4,493 million in 2022.

The Group's gross profit margin declined from 27.1% in 2022 to 22.4% in 2023.

DISTRIBUTION, GENERAL AND ADMINISTRATIVE EXPENSES

The Group's distribution, general and administrative expenses decreased by USD 146 million, or 7.8%, to USD 1,718 million in 2023 from USD 1,864 million in 2022. The decline was primarily attributed to a persistent dollar appreciation during the year, partially offset by the newly imposed export duties.

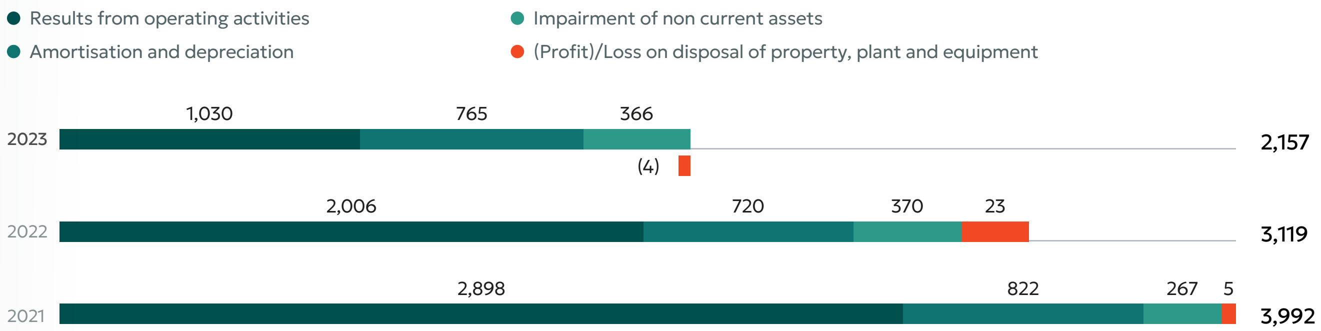
ADJUSTED EBITDA, ADJUSTED EBITDA MARGIN, AND RESULTS FROM OPERATING ACTIVITIES

The Group's results from operating activities decreased by USD 976 million, or 48.7%, to USD 1,030 million in 2023 from USD 2,006 million in 2022.

Results from operating activities attributable to the Metals segment decreased by USD 1,395 million, or 106.0%, from USD 1,316 million in 2022 to USD (79) million in 2023. Conversely, results from operating activities from the Power segment increased by USD 178 million, or 21.0%, from USD 849 million in 2022 to USD 1,027 million in 2023.

The Group's operating profit margin decreased from 12.1% in 2022 to 7.0% in 2023.

The following graph reconciles the Group's adjusted EBITDA to the Group's results from operating activities for the periods indicated, USD mn



The following table sets forth the Group's adjusted EBITDA and adjusted EBITDA margin by segment (before intersegmental elimination) for the years indicated:

	Year ended 31 December		
USD mn, except %	**2023**	**2022**	**2021**
Adjusted EBITDA Metals segment	786	2,028	2,893
Adjusted EBITDA Power segment	1,292	1,254	1,172
Adjusted EBITDA	**2,157**	**3,119**	**3,992**
Adjusted EBITDA margin Metals segment	6.4%	14.5%	24.1%
Adjusted EBITDA margin Power segment	36.0%	32.3%	37.3%
Adjusted EBITDA margin Group	**14.7%**	**18.8%**	**28.3%**

The Group's adjusted EBITDA decreased by USD 962 million, or 30.8%, to USD 2,157 million in 2023 from USD 3,119 million in 2022.

The year-on-year decline was mainly due to the same factors that impacted the Group's operating results.

Financial review

SHARE OF PROFITS OF ASSOCIATES AND JOINT VENTURES

The Group has a number of associates and joint ventures, which are accounted for in its Financial Statements under the equity method. The principal associates and joint ventures include Norilsk Nickel, and the BEMO Project.

The Group's share of profit of its associates and joint ventures decreased by USD 801 million, or 51.6%, to USD 752 million in 2023 from USD 1,553 million in 2022.

The change in the share of profit of associates and joint ventures in 2023 as compared to 2022 can primarily be attributed to lower profit from the Group's investment in Norilsk Nickel.

	Year ended 31 December		
USD mn	2023	2022	2021
Share of profit in Norilsk Nickel Effective shareholding of En+ Group	629 15.01%	1,440 15.01%	1,762 15.01%
Share of profit in the BEMO project Effective shareholding of En+ Group	93 28.44%	102 28.44%	58 28.44%
Share of profit in other associates / joint ventures	30	11	(18)
Share of profits of associates and joint ventures	**752**	**1,553**	**1,802**

FINANCE INCOME AND COSTS

The Group's finance income primarily consists of interest income and net foreign exchange gains. The Group's finance costs primarily consist of interest expense on interest bearing liabilities and net foreign exchange loss.

The Group's finance income decreased by USD 64 million, or 34.8%, to USD 120 million in 2023 from USD 184 million in 2022, mainly as a result of lower interest income driven by changes in the Central Bank's key rate.

The Group's finance costs decreased by USD 264 million, or 20.5%, from USD 1,290 million in 2022 to USD 1,026 million in 2023, as a result of interest expense decline driven by changes in the Central Bank's key rate as well as lower net losses from changes in the fair value of derivative financial instruments between the comparable periods, which was partially offset by losses from the revaluation of investments measured at fair value through profit and loss as compared to a gain in 2022.

	Year ended 31 December		
USD mn	2023	2022	2021
Finance income			
Interest income	93	115	65
Dividend income	27	38	22
Revaluation of financial assets and liabilities	–	31	–
Total finance income	**120**	**184**	**87**
Finance costs			
Interest expense	(748)	(988)	(709)
Net foreign exchange loss	(85)	(111)	(33)
Change in fair value of derivative financial instruments	(99)	(191)	(352)
Revaluation of financial assets and liabilities	(94)	–	(47)
Total finance costs	**(1,026)**	**(1,290)**	**(1,141)**

PROFIT BEFORE TAXATION

Due to the above factors, the Group recorded a profit before tax of USD 876 million in 2023 as compared to USD 2,453 million in 2022. In 2023, the Power segment generated a pre-tax profit of USD 550 million compared to USD 619 million in 2022.

The Metals segment posted a pre-tax profit of USD 244 million as compared to USD 2,166 million in 2022.

INCOME TAX EXPENSE

The Group's income tax expense decreased by USD 447 million, or 73.6%, to USD 160 million in 2023 from USD 607 million in 2022, as a result of lower pre-tax profit in 2023 as compared to 2022. In 2023, current tax expense decreased by USD 183 million, or 33.1% year-on-year, mainly due to lower taxable profit. Deferred taxes increased by USD 264 million, from USD 54 million in deferred tax liabilities in 2022 to USD 210 million in deferred tax assets in 2023, primarily due to the tax effect of the accrual of certain temporary differences related to foreign currency gains.

PROFIT FOR THE YEAR

For the reasons described above, the Group's profit for the year ended 31 December 2023 was USD 716 million, compared to a profit of USD 1,846 million for the year ended 31 December 2022.

Analysis of results by segment

METALS SEGMENT

In 2023 and 2022, the Metals segment accounted for 77.3% and 78.2% of the business segments' revenues (before adjustments), respectively. As at 31 December 2023 and 31 December 2022, the assets of the Metals segment represented 67.3% and 68.0% of the Group's total assets (before adjustments), respectively.

The following table presents selected data of the Metals segment for the periods indicated

	Year ended 31 December		
USD mn	2023	2022	2021
Revenue	**12,213**	**13,974**	**11,994**
Gross profit Gross profit margin	1,768 14.5%	3,204 22.9%	3,721 31.0%
Pre-tax profit	**244**	**2,166**	**3,641**
Profit for the period Net profit margin	282 2.3%	1 793 12.8%	3,225 26.9%
Adjusted EBITDA Adjusted EBITDA margin	786 6.4%	2 028 14.5%	2,893 24.1%
Adjusted net profit[1]	73	725	1,536
Recurring net profit[2] Recurring net profit margin[3]	702 5.7%	2,165 15.5%	3,298 27.5%

1 Adjusted net (loss)/profit for any period represents net (loss)/profit for the relevant period adjusted for the net effect from the share in the results of Norilsk Nickel, the net effect of embedded derivative financial instruments, and the net effect of non current assets impairment.
2 Recurring net profit represents adjusted net (loss)/profit for the relevant period plus RUSAL's effective share of Norilsk Nickel's after-tax profits.
3 Recurring net profit margin represents recurring net profit for the relevant period divided by total revenues and expressed as a percentage for the relevant period.

Financial review

REVENUES

The following table presents components of the Metals segment's sales data (before intersegmental elimination) for the years indicated:

	Year ended 31 December		
	2023	2022	2021
Sales of primary aluminium and alloys			
Revenue, USD mn	10,129	11,593	9,966
Sales volumes, kt	4,153	3,896	3,904
Average sales price (USD/t)	2,439	2,976	2,553
Sales of alumina			
Revenue, USD mn	340	550	610
Sales volumes, kt	759	1,169	1,677
Average sales price (USD/t)	448	470	364
Sales of foil and other aluminium products, USD mn	550	581	515
Other revenue, USD mn	1,194	1,250	903
Total revenues	**12,213**	**13,974**	**11,994**

The Metals segment's revenue decreased by USD 1,761 million, or 12.6%, to USD 12,213 million in 2023 from USD 13,974 million in 2022.

Revenue from sales of primary aluminium and alloys was down by USD 1,464 million, or 12.6%, to USD 10,129 million in 2023 from USD 11,593 million in 2022. The decline was primarily due to an 18.0% decrease in the weighted-average realised aluminium price per tonne (to an average of USD 2,439 per tonne in 2023 from USD 2,976 per tonne in 2022), driven by lower LME aluminium price (down to an average of USD 2,252 per tonne in 2023 from USD 2,707 per tonne in 2022), which was partially offset by a 6.6% increase in sales volumes between the comparable periods.

Revenue from sales of alumina was down by 38.2% to USD 340 million for the year ended 31 December 2023 from USD 550 million for the year ended 31 December 2022 due to a decrease in alumina sales volume by 35.1% and a 4.7% decrease in the average sales price.

Revenue from sales of foil and other aluminium products declined by USD 31 million, or 5.3%, to USD 550 million in 2023 compared to USD 581 million in 2022 due to a 11.9% decrease in revenue from sales of foil between the comparable periods.

Other revenue, which includes sales of other products, bauxite, and electricity, decreased by 4.5% to USD 1,194 million for the year ended 31 December 2023 compared to USD 1,250 million for the previous year. The decline was driven by lower sales of other materials (such as anode blocks down by 12.1%, aluminium powder by 15.3%, silicon by 28.0%), which was partially offset by higher revenue from bauxite sales, and also due to a 27.0% decrease in service revenue (mainly a 36.8% decline in revenue from sales of energy services).

COST OF SALES

The following table presents components of the Metals segment's cost of sales (before intersegmental elimination) for the years indicated:

	Year ended 31 December		
USD mn	2023	2022	2021
Cost of alumina	2,029	1,847	741
Cost of bauxite	235	331	506
Cost of other raw materials and other costs	3,074	3,835	3,387
Purchases of primary aluminium from joint ventures	656	940	696
Energy costs	2,288	2,658	2,070
Depreciation and amortisation	513	481	572
Personnel expenses	667	781	618
Repair and maintenance	455	532	407
Net change in provisions for inventories	(12)	171	28
Change in finished goods	540	(806)	(752)
Total cost of sales	**10,445**	**10,770**	**8,273**

The Metals segment's cost of sales decreased by USD 325 million, or 3.0%, to USD 10,445 million for the year ended 31 December 2023 compared to USD 10,770 million for the year ended 31 December 2022.

The cost of alumina increased by USD 182 million, or 9.9%, to USD 2,029 million in 2023 compared to USD 1,847 million in 2022, primarily due to an 11.9% increase in alumina purchase volumes between the periods, partially offset by lower alumina purchase price.

The cost of raw materials (other than alumina and bauxite) and other costs decreased by 19.8% for the year ended 31 December 2023 compared to the same period of 2022 due to lower purchase prices for raw materials (raw pitch coke was down by 38.3%, pitch by 16.3%, anode blocks by 28.1%, and caustic soda by 28.9%).

Energy costs decreased by USD 370 million, or 13.9%, to USD 2,288 million for the year ended 31 December 2023 compared to USD 2,658 million for the year ended 31 December 2022. The decline was due to a 13.9% decrease in the average electricity tariff between the comparable periods (3.18 USD cents per kWh in 2023 compared to 3.69 USA cents per kWh in 2022), caused by the weakening of the Russian rouble against the US dollar during the reporting period.

Finished goods mainly consist of primary aluminium and alloys (approximately 95%). Changes between reporting periods were driven by fluctuations in the physical inventories of primary aluminium and alloys: a 27.7% decrease in 2023 and a 33.3% increase in 2022.

Financial review

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

The Metals segment's adjusted EBITDA (before intersegmental elimination) decreased by USD 1,242 million, or 61.2%, to USD 786 million in 2023 from USD 2,028 million in 2022. Adjusted EBITDA margin was 6.4% in 2023 compared to 14.5% in 2022. The factors that contributed to lower adjusted EBITDA and adjusted EBITDA margin were the same as those affecting the operating results.

The following table reconciles the Metals segment's adjusted EBITDA to its results from operating activities for the periods indicated:

	Year ended 31 December		
USD mn	2023	2022	2021
Adjusted EBITDA reconciliation			
Results from operating activities	(79)	1,316	2,079
Adjusted for:			
• amortisation and depreciation	540	503	596
• loss on disposal of property, plant and equipment	4	13	9
• impairment of non current assets	321	196	209
Adjusted EBITDA	**786**	**2,028**	**2,893**

The following table reconciles the Metals segment's adjusted net profit and recurring net profit to its net profit for the periods indicated:

	Year ended 31 December		
USD mn	2023	2022	2021
Adjusted net profit reconciliation			
Net profit for the period	282	1,793	3,225
Adjusted for:			
• share of profits and other gains and losses attributable to Norilsk Nickel, net of tax effect	(629)	(1,440)	(1,762)
• change in derivative financial instruments, net of tax (20%)	99	176	356
• gain from partial disposal of investment in associate	–	–	(492)
• impairment of non current assets, net of tax	321	196	209
Adjusted net profit	**73**	**725**	**1,536**
Added back:			
• share of profits of Norilsk Nickel, net of tax	629	1,440	1,762
Recurring net profit	**702**	**2,165**	**3,298**

POWER SEGMENT

In 2023 and 2022, the Power segment accounted for 22.7% and 21.8% of the business segments' revenues (before adjustments), respectively. As at 31 December 2023 and 31 December 2022, the assets of the Power segment accounted for 32.7% and 32.0% of the Group's total assets (before adjustments), respectively.

The following table presents selected data of the Power segment for the periods indicated

	Year ended 31 December		
USD mn	2023	2022	2021
Revenue	**3,587**	**3,885**	**3,138**
Gross profit Gross profit margin	1,444 40.3%	1,463 37.7%	1,317 42.0%
Results from operating activities (EBIT) Operating profit margin	1,027 28.6%	849 21.9%	889 28.3%
Pre-tax profit	**550**	**619**	**566**
Profit for the period Net profit margin	355 9.9%	384 9.9%	374 11.9%
Adjusted EBITDA Adjusted EBITDA margin	1,292 36.0%	1,254 32.3%	1,172 37.3%

REVENUES

The Power segment's revenue decreased by USD 298 million, or 7.7%, to USD 3,587 million in 2023 from USD 3,885 million in 2022. The decline in revenue in dollar terms was mostly driven by a significant depreciation of the rouble against the US dollar during the year (the average USD/RUB exchange rate for the reporting period increased by 24.4%), while the Power segment's revenue in rouble equivalent was up amid higher electricity prices and sales volumes.

For the reasons described above revenue from electricity sales decreased by 7.6% year-on-year to USD 1,719 million.

Revenue from capacity sales decreased by 5.2% year-on-year to USD 567 million in 2023, mainly due to a negative effect from a rouble exchange rate fluctuations, it was partially offsetted by higher average selling price.

Revenue from heat sales decreased by 9.1% year-on-year to USD 428 million in 2023, reflecting the negative effect of the rouble exchange rate fluctuations, partially offset by higher heat prices.

The Power segment's electricity generation increased from 83.9 TWh in 2022 to 85.2 TWh in 2023. In 2022, HPPs produced 69.0 TWh of electricity, or 82.2% of the total electricity generated by the Power segment, while in 2023 they produced 68.8 TWh of electricity, or 80.8% of the Power segment's total electricity production. The decrease in HPP generation was primarily driven by high water levels in Lake Baikal and the Bratsk Reservoir in the beginning of 2022 and on average in 2022 compared to 2023.

Financial review

The following table presents components of the Power segment's sales data (before intersegmental elimination) for the years indicated:

	Year ended 31 December		
	2023	2022	2021
Average RUB/USD rate	85.25	68.55	73.65
Sales of electricity			
Revenue, USD mn	1,719	1,861	1,453
Sales volumes, TWh	107.1	105.5	108.4
Average sales price (RUB/MWh)	1,368	1,209	988
Sales of capacity			
Revenue, USD mn	567	598	500
Sales volumes, GW/year	162.5	163.3	172.8
Average sales price (RUB ths/MW)	297	251	213
Sales of heat			
Revenue, USD mn	428	471	417
Sales volumes, mn Gcal	24.1	24.0	24.5
Average sales price (RUB/Gcal)	1,452	1,322	1,257
Sales of semi finished products, USD mn	**309**	**341**	**268**
Other revenue, USD mn	**564**	**614**	**500**
Total, USD mn	**3,587**	**3,885**	**3,138**

COST OF SALES

The following table presents components of the Power segment's cost of sales (before intersegmental elimination) for the years indicated:

	Year ended 31 December		
USD mn	2023	2022	2021
Electricity and capacity	599	642	428
Cost of materials	450	564	428
Personnel expenses	416	503	358
Depreciation and amortisation	217	211	216
Electricity transmission costs	157	194	160
Other	304	308	231
Total cost of sales	**2,143**	**2,422**	**1,821**

The Power segment's cost of sales decreased by USD 279 million, or 11.5%, to USD 2,143 million for the year ended 31 December 2023 compared to USD 2,422 million for the year ended 31 December 2022.The decrease in the Power segment's cost of sales was driven mainly by the depreciation of the rouble against the US dollar during the year.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

The following table presents the Power segment's adjusted EBITDA and adjusted EBITDA margin for the years indicated:

	Year ended 31 December		
USD mn	2023	2022	2021
Adjusted EBITDA (HPP)	1,142	1,257	1,076
Adjusted EBITDA (CHP)	60	42	38
Adjusted EBITDA (Other and unallocated items)	90	(45)	58
Adjusted EBITDA (Power segment)	**1,292**	**1,254**	**1,172**
Adjusted EBITDA margin (HPP)	83.9%	84.0%	86.4%
Adjusted EBITDA margin (CHP)	7.6%	5.0%	5.2%
Adjusted EBITDA margin (Power segment)	**36.0%**	**32.3%**	**37.3%**

In 2023, the Power segment's adjusted EBITDA (before intersegmental elimination) increased by USD 38 million, or 3.0%, to USD 1,292 million from USD 1,254 million in 2022. The change was largely driven by higher electricity and capacity prices as well as an increase in electricity sales volumes.

The following table reconciles the Power segment's adjusted EBITDA to its results from operating activities for the periods indicated:

	Year ended 31 December		
USD mn	2023	2022	2021
Adjusted EBITDA reconciliation			
Results from operating activities	1,027	849	889
Adjusted for:			
• amortisation and depreciation	228	221	229
• (gain)/loss on disposal of property, plant and equipment	(8)	10	(4)
• impairment of non current assets	45	174	58
Adjusted EBITDA	**1,292**	**1,254**	**1,172**

Financial review

Net assets

In 2023, the Group's net assets decreased by USD 1,151 million to USD 11,581 million as at 31 December 2023, down from USD 12,732 million as at 31 December 2022.

In 2023, the Metals segment's net assets decreased by USD 1,291 million, or 10.5%, to USD 11,016 million as at 31 December 2023 compared to USD 12,307 million as at 31 December 2022. This was mainly driven by a reduction in total assets, primarily due to decreases in interests in associates and lower inventories, cash and cash equivalents, and total liabilities, mainly stemming from a decrease in outstanding financial debt.

The Power segment's net assets as at 31 December 2023 increased by USD 61 million, or 1.1%, to USD 5,824 million from USD 5,763 million as at 31 December 2022. The increase was mainly due to a decrease in the value of property, plant and equipment (resulting from the depreciation of the rouble against the US dollar during the year) and lower total liabilities (primarily due to a decrease in outstanding financial debt).

Net assets, USD mn

	Year ended 31 December		
	2023	2022	2021
Group			
Non-current assets	18,020	20,176	17,090
Current assets	8,368	10,502	8,967
Non-current liabilities	(10,015)	(11,479)	(9,897)
Current liabilities	(4,792)	(6,467)	(5,849)
Net assets	**11,581**	**12,732**	**10,311**
Metals segment			
Non-current assets	13,522	14,516	12,470
Current assets	7,942	10,115	8,436
Non-current liabilities	(6,729)	(7,733)	(5,790)
Current liabilities	(3,719)	(4,591)	(4,592)
Net assets	**11,016**	**12,307**	**10,524**
Power segment			
Non-current assets	9,608	10,770	9,725
Current assets	819	816	824
Non-current liabilities	(3,297)	(3,758)	(4,121)
Current liabilities	(1,306)	(2,065)	(1,461)
Net assets	**5,824**	**5,763**	**4,967**

Net working capital

Net working capital is defined as inventories plus short-term trade and other receivables (excluding dividends receivable), less trade and other payables (excluding dividends payable).

As at 31 December 2023, the Group's net working capital was USD 3,417 million compared to USD 4,474 million as at 31 December 2022.

In 2023, net working capital decreased by 23.6% from 2022, mainly due to sales of inventories, accumulated at the end of the previous year.

The following table presents the calculation of net working capital of the Group, Power segment, and Metals segment as at the dates indicated:

	Year ended 31 December		
USD mn	**2023**	**2022**	**2021**
Group			
Inventories	3,575	4,383	3,731
Short term trade and other receivables	2,330	2,514	2,655
Dividends receivable	(412)	–	(827)
Trade and other payables	(2,081)	(2,423)	(2,806)
Dividends payable	5	–	–
Net working capital	**3,417**	**4,474**	**2,753**
Metals segment			
Inventories	3,599	4,489	3,692
Short term trade and other receivables	2,112	2,263	2,473
Dividends receivable	(412)	–	(827)
Trade and other payables	(1,639)	(1,919)	(2,408)
Dividends payable	5	–	–
Net working capital	**3,665**	**4,833**	**2,930**
Power segment			
Inventories	164	161	158
Short term trade and other receivables	373	363	306
Trade and other payables	(675)	(693)	(602)
Net working capital	**(138)**	**(169)**	**(138)**

Financial review

Liquidity and capital resources

In 2023, the Group's liquidity requirements primarily related to funding working capital, capital expenditures, and debt servicing. The Group used a variety of internal and external sources to finance its operations. During the periods under review, short and long term funding sources included mostly rouble and foreign currency denominated secured and unsecured loans from Russian and international banks as well as debt instruments issued in both the Russian and international capital markets.

Liquidity was managed separately in both the Power and Metals segments.

DIVIDENDS

During the years ended 31 December 2023 and 31 December 2022, EN+ GROUP IPJSC neither declared nor paid any dividends.

CASH FLOWS

The following table presents the Group's selected cash flow data for the periods indicated:

	Year ended 31 December		
USD mn	2023	2022	2021
Cash flows from operating activities	2,721	572	2,168
Cash flows (used in) / from investing activities	(1,419)	47	285
Cash flows (used in) / from financing activities	(2,277)	742	(2,691)
Net change in cash and cash equivalents	**(975)**	**1,361**	**(238)**
Cash and cash equivalents at the beginning of the period, excluding restricted cash	3,474	2,328	2,549
Effect of exchange rate changes on cash and cash equivalents	(154)	(215)	17
Cash and cash equivalents at the end of the period, excluding restricted cash[1]	**2,345**	**3,474**	**2,328**
Free cash flow	642	(633)	1,705

1 Restricted cash of USD 2 million and USD 3 million is included in cash and cash equivalents as at 31 December 2023 and as at 31 December 2022, respectively

Cash flows from operating activities

The Group's cash flows from operating activities were up year-on-year to USD 2,721 million, an increase of USD 2,149 million from USD 572 million in 2022, caused by a decrease in working capital.

Cash flows (used in) / generated from investing activities

The Company's net cash flows used in investing activities for the year ended 31 December 2023 were USD 1,419 million compared to net cash of USD 47 million generated from investing activities in the previous year. Changes were mainly due to the absence of dividends received from associates in 2023, compared to USD 1,639 million received in 2022.

Cash flows (used in) / generated from financing activities

The Group's cash flows used in financing activities for 2023 were USD 2,277 million. A decrease of USD 3,019 million (in 2022, cash flows generated from financing activities were USD 742 million) was primarily due to net repayment of loans and bonds totalling USD 1,559 million for the year ended 31 December 2023 compared to net proceeds from borrowings of USD 2,122 million for the previous year.

En+ Group free cash flow

Free cash flow for 2023, USD mn

2 Before consolidation adjustments.
3 Capital expenditure represents cash flow related to investing activities – acquisition of property, plant and equipment and intangible assets, adjusted for one-off acquisition of assets. The calculation does not include investments in subsidiaries and joint ventures.
4 Restructuring fee and payments from settlement of derivative instruments.

Financial review

The following table reconciles the free cash flow to the cash flows from operating activities for the periods indicated:

USD mn	Year ended 31 December		
Free cash flow reconciliation	**2023**	**2022**	**2021**
Group			
Cash flows generated from operating activities	2,721	572	2,168
Adjusted for:			
Capital expenditures (acquisition of property, plant and equipment and intangible assets)	(1,448)	(1,711)	(1,513)
Dividends from associates and joint ventures	–	1,639	620
Proceeds from partial disposal of associates	–	–	1,421
Interest received	84	104	63
Interest paid	(682)	(987)	(703)
Restructuring fees and expenses related to the issuance of shares	(31)	(21)	(36)
Settlement of derivative financial instruments	(2)	(229)	(315)
Free cash flow	**642**	**(633)**	**1,705**
Metals segment			
Cash flows generated from operating activities	1,760	(412)	1,146
Adjusted for:			
Capital expenditures (acquisition of property, plant and equipment and intangible assets)	(1,056)	(1,239)	(1,192)
Dividends from associates and joint ventures	–	1,639	620
Proceeds from partial disposal of associates	–	–	1,421
Interest received	61	70	37
Interest paid	(422)	(428)	(380)
Restructuring fees	(30)	(17)	(34)
Settlement of derivative financial instruments	(2)	(229)	(315)
Free cash flow	**311**	**(616)**	**1,303**
Power segment			
Cash flows generated from operating activities	963	986	1,022
Adjusted for:			
Capital expenditures (acquisition of property, plant and equipment and intangible assets)	(394)	(474)	(321)
Interest received	23	34	26
Interest paid	(260)	(559)	(323)
Restructuring fees and expenses related to the issuance of shares	(1)	(4)	(2)
Free cash flow	**331**	**(17)**	**402**

Capital expenditures

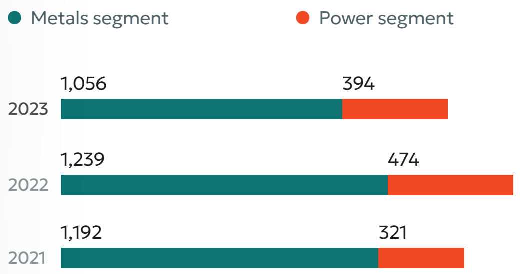
In 2023 and 2022, the Group's capital expenditures (including the acquisition of property, plant and equipment as well as the acquisition of intangible assets) were USD 1,448 million and USD 1,711 million, respectively. The Group's subsidiaries financed their cash requirements through a combination of operating cash flows and borrowings.

The Metals segment recorded a total capital expenditure of USD 1,056 million for the year ended 31 December 2023.

The Metals segment's capital expenditure in 2023 was aimed at maintaining existing production facilities. Maintenance capex amounted to 63% of total capex for 2023.

In 2023, capital expenditure by the Power segment amounted to USD 394 million, down 16.9% year-on-year due to the depreciation of the rouble against the US dollar. Maintenance capex accounted for 55% of total capital expenditure. The Group's Power segment continued to invest in connections to its power supply infrastructure and improving the efficiency of the Group's CHPs, further advancing its New Energy HPP modernisation programme.

The table below presents the capital expenditures (before adjustments) of the Metals and Power segments for the periods indicated, USD mn



Cash

As at 31 December 2023 and 31 December 2022, the Group's cash and cash equivalents, excluding restricted cash, were USD 2,345 million and USD 3,474 million, respectively. As at 31 December 2023 and 31 December 2022, the Power segment's cash and cash equivalents were USD 260 million and USD 281 million, respectively. Meanwhile, the Metals segment's cash and cash equivalents were USD 2,085 million and USD 3,193 million, respectively.

ANNA MALEVINSKAYA

Chief Financial Officer

Appointed: 2 May 2023
Joined the Group: from 2000

Anna Malevinskaya began her career at RUSAL in 2000, where she worked in various positions until 2012. In 2013, Anna joined En+ as a financial controller, and since 2018 she held the position of Deputy Chief Financial Officer of En+, where she was responsible for business planning, financial reporting and business process automation, participated in major projects and transactions, including the Company's entry into IPO in 2017.

Anna Malevinskaya is a Candidate of Economic Sciences, graduated Lomonosov Moscow State University, was awarded corporate awards, and was also awarded with Gratitude and a Certificate of Honor from the Ministry of Energy of the Russian Federation.

"I highly appreciate the trust, and at the same time I understand the high level of responsibility placed on me. I have been working with the Group almost since its founding, and I believe that En+ has exceptional potential. I am confident that thanks to a sustainable business model, strategic vision and the cohesion of our team, we will be able to maximise all opportunities available to the Company."

Financial review

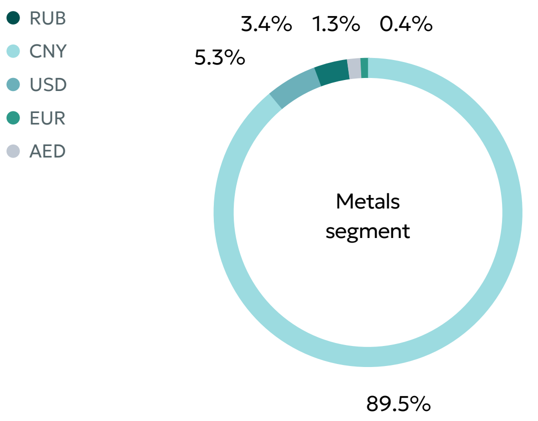
Loans and borrowings

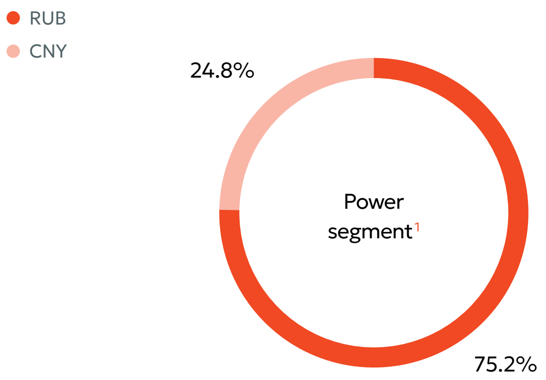
The nominal value of the Group's loans and borrowings was USD 6,818 million as at 31 December 2023, excluding bonds, which represented additional USD 4,227 million.

Below is an overview of certain key terms of selected facilities in the Group's debt portfolio as at 31 December 2023:

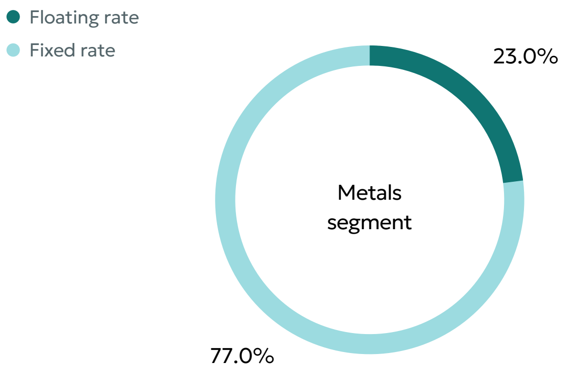
Debt portfolio breakdown as of 31 December 2023

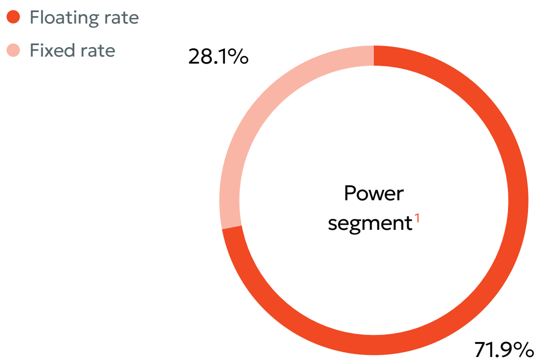
By currency





By interest rate





SECURITY

As at 31 December 2023, the Metals segment's debt (save for several unsecured loans and bonds) was secured, among others, by the assignment of receivables under specified contracts, certain pledges of shares and interest in a number of the Group's subsidiaries, designated accounts, and shares in Norilsk Nickel (representing 25% + 1 share of Norilsk Nickel's total nominal issued share capital).

As at 31 December 2023, the Power segment's debt was secured, among others, by pledges of shares and interests in certain operating and non-operating companies and property, plant and equipment.

1 Nominal debt – USD 3,151 mn. Nominal debt includes USD 460 mn of ruble nominated facilities used to finance operational activities.

Facility/lender	Principal amount outstanding as at 31 December 2023	Tenor/repayment schedule	Pricing
METALS SEGMENT			
Credit facilities			
Pre-export credit facilities	USD 367 mn	Until November 2024, equal quarterly repayments starting from January 2022	3-m SOFR plus credit spread adjustment plus 1.7%–2.1% p.a.
Russian bank loans	CNY 10.7 bn	Bullet repayments at final maturity dates, the last repayment on January 2026	3.75%—1Y LPR + 2.75% p.a.
	CNY 15.8 bn	December 2027, equal quarterly repayments starting from March 2024	4.75% p.a.
	RUB 18.7 bn	Quarterly repayments, the last repayment on December 2035	Key rate of the Bank of Russia plus 3.15% p.a.
Bonds			
Yuan bonds	CNY 23.5 bn	10 tranches, the last repayment in July 2027, repayments at final redemption dates	3.75%–6.7% p.a.
POWER SEGMENT			
Credit facilities			
Russian banks loans	RUB 211.5 bn	Repayment 2024–2032	3.0–18.75% p.a.
Bonds			
CNY bonds	CNY 5.6 bn	4 tranches, the last repayment is in May 2026, repayments at final redemption dates	4.45%–5.45% p.a.

Financial review

Contingencies

The summary of the Group's principal contingencies is set out below. For a detailed discussion of the Group's contingencies in 2023, including environmental contingencies, risks and considerations, see Note 22 of the Annual Financial Statements.

LEGAL CONTINGENCIES

The Group's business activities expose it to a variety of lawsuits and claims which are monitored, assessed, and contested on an ongoing basis. Where management believes that a lawsuit or another claim would result in an outflow of economic benefits for the Group, a best estimate of such outflow is included in provisions in the consolidated financial statements. The amount of claims where management assesses outflow as possible is disclosed in Note 22 (c) of the Annual Financial Statements.

TAXATION

Russian tax, currency, and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation, as applied to the Group's transactions and activities, may be challenged by relevant local, regional, or federal authorities. Notably, recent developments in the Russian legal landscape suggest that tax authorities in Russia are increasingly taking a tougher stand when interpreting or enforcing tax legislation, particularly in relation to the use of certain commercial and trade transaction structures which can be used by taxpayers but might be in conflict with the authorities' earlier interpretations or practices. Recent events in the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation.

The Group's tax risks, along with an estimate of the maximum possible additional amounts which may reasonably become payable in respect of such risks, are disclosed in Note 22 (a) of the Annual Financial Statements.

Financial ratios

GEARING

The Group's gearing ratio—the ratio of total debt (including both long-term and short-term borrowings and bonds outstanding) to total assets—was 41.9% and 44.3% as at 31 December 2023 and 31 December 2022, respectively.

RETURN ON EQUITY

The Group's return on equity—the amount of net profit as a percentage of total equity—was 6.2% and 14.5% as at 31 December 2023 and 31 December 2022, respectively.

INTEREST COVERAGE RATIO

The Group's interest coverage ratio—the ratio of earnings before interest and taxes to net interest—was 1.6x and 2.3x for the years ended 31 December 2023 and 31 December 2022, respectively.

Going concern

The Group closely monitors and manages its funding position and liquidity risk throughout the year, including monitoring forecast results, to ensure that it has access to sufficient funds to meet forecast cash requirements. Cash forecasts are regularly produced and sensitivities considered for, but not limited to, changes in power and aluminium prices, foreign exchange rates, production rates, and costs. These forecasts and sensitivity analyses allow management to mitigate liquidity or covenant compliance risks in a timely manner. The situation with the Australian government and the situation in Ukraine, as well as volatility in commodity, stock, and FX markets and interest rates, create material uncertainty in the Group's ability to meet its financial obligations on time and continue as a going concern entity. Management constantly evaluates the current situation and prepares forecasts taking into account different scenarios of events.

The Group's management expects that prices on the world commodity markets will grow and improve results from our operating activities. The Group is also redesigning its supply and sales chains, ensuring an optimal equity and debt ratio, searching for resolutions to logistics issues, as well as ways to meet its obligations in order to adapt fast to the current economic changes to support the Group's operations. For a detailed discussion of the Group's going concern in 2023, see Note 1 (e) of the Annual Financial Statements.

Report on payments to governments

The table below shows the amounts paid by the Group's entities to public authorities (primarily in the form of miscellaneous taxes and levies) in connection with their extraction activities:

Type of payment in 2023, USD ths	Russia	Kazakhstan	Guinea	Guyana	Jamaica	Total
Production fees	–	–	–	–	–	–
Taxes or levies on corporate sales, production, or profits	77,214	30,764	3,499	–	8,892	120,369
Royalties	–	–	–	–	–	–
Dividends	–	–	–	–	–	–
Signing-on, discovery and production bonuses	–	–	–	–	–	–
Licence fees, rental charges, entry fees, and other consideration for licenses and/or concessions	4,807	1,053	–	146	149	6,155
Infrastructure improvement payments	2,403	299	–	–	–	2,702
Total	**84,425**	**32,115**	**3,499**	**146**	**9,041**	**129,226**

Investment programme and modernisation

METALS SEGMENT

Modernisation to support transition to pre-baked anodes technology

GOALS

- Significantly cut power consumption
- Reduce GHG emissions, such as fluoride and benzo(a)pyrene
- Improve gas removal efficiency
- Reduce the potroom pollutant emissions into the environment by 30%

DESCRIPTION

The global transformation of aluminium smelters in Siberia entails the establishment of new production facilities incorporating the advanced pre-baked anode technology and environmentally friendly electrolysers designed by RUSAL in-house. The project is expected to span a decade for completion.

1,380 ktpa

Total capacity to be modernised

10 years

project implementation period

RESULTS

In 2023, design documentation of KraZ and BraZ received positive opinions from the Main Department of State Expertise (Glavgosexpertiza) and
the State Environmental Review Office.

Our investment programme and a push for modernisation are fully aligned with the Group's strategic objectives.

For more details on En+ Group's strategy, see the Strategy section on page 24-27.

Production enterprise expansions

GOALS

- Improve raw-material security
- Increase production capacity
- Cut primary aluminium production costs
- Increase the share of value-added products

DESCRIPTION

- One of RUSAL's flagship projects is the Taishet Aluminium Smelter (TAZ) located in the Irkutsk Region. The initial stage, Stage 1, came online at the close of 2021, boasting a capacity of 428.5 ktpa. Ramp-up to full capacity is expected to be completed before the end of 2024.
- To ensure uninterrupted supply of high-quality pre-baked anodes to Siberian aluminium smelters and reduce primary aluminium production costs, the Group is progressing with its key CAPEX project to construct the Taishet Anode Factory (TAF). This initiative aims to produce approximately 400 kt of pre-baked anodes annually.

TAZ'S KEY SUSTAINABILITY BENEFITS:

- Pre-baked anode technology was integrated
- 100% of required power supply will be covered by hydro to support low-carbon, green aluminium production
- A closed-loop water recycling system to cut costs and reduce the environmental impact
- Modern gas cleaning equipment such as dry alumina scrubbers with a 99.5% purification efficiency

428.5 kt

Aluminium production capacity of the TAZ project's first stage

RESULTS

- In 2023, significant progress was made on the TAF project, including assembling frames for main process buildings and structures, ongoing installation of enclosing and interior structures, as well as the construction of engineering infrastructure facilities. Furthermore, the supplies and installation of core process equipment at all production stages are on track.
- During 2023, the TAZ project continued to achieve further commissioning milestones, with 85 RA-400 electrolysers up and running, bringing the total count to 166 by the year-end.

Investment programme and modernisation

POWER SEGMENT

New Energy programme

GOALS

- Modernise the Angara and Yenisei cascade HPPs
- Ramp up generation from the same volume of water passing through HPP turbines
- Improve safety and reliability of the HPPs, which will mitigate the risks associated with cavitation and address the HPP generator wear problem
- Reduce the Company's environmental footprint by curbing the GHG emissions from the Company's coal-fired power plants

DESCRIPTION

The New Energy Programme targets large-scale overhauls and upgrades to core equipment at Group's major Siberian hydropower plants, i.e. Krasnoyarsk, Bratsk, Irkutsk, and Ust-Ilimsk HPPs. This initiative involves upgrades to hydraulic units and the replacement of runners to enhance efficiency. The upgraded runners, boasting improved blade designs and new materials, are projected to increase efficiency by up to 8%.

Modernisation CAPEX is expected to total RUB 21 billion by 2026 (USD 234.1 million), including investments already made (RUB 17 billion[2]).

RESULTS

2023 highlights include a runner replacement at Bratsk HPP, with work started to replace another runner. A runner was also replaced at Krasnoyarsk HPP, with another runner replacement now underway.

	Bratsk HPP	Ust-Ilimsk HPP	Krasnoyarsk HPP	Irkutsk HPP
Hydraulic units	18	16	12	8
Runners replaced	15 2007–2023	4 2014–2018	5 2016–2023	3 2019–2023
Runners to be replaced	3 by 2026	0 100% of planned work completed	3 by 2025 году	1 by 2024 году
Total incremental generation from hydraulic units with new runners, 2023 actual, MWh	1,375,580	304,966	294,244	195,454

1 Calculated based on the RUB/USD exchange rate of RUB 89.6883 per dollar as at 31 December 2023.
2 USD 227.5 million at the RUB/USD exchange rate of RUB 89.6883 per dollar as at 31 December 2023.

2023 RESULTS	FROM 2026 PLAN
2.2 TWh Increase in electricity production	2.4 TWh additional generation
2.515 mt CO_2e Avoided GHG emissions from coal-fired generation	2.8 mt of CO_2e per year Avoided GHG emissions from coal-fired generation

An important achievement of the company in the field of digitalisation is the creation and implementation of automatic predictive diagnostic systems

The predictive diagnostic system is based on artificial intelligence and allows to predict defects and prevent accidents on generating equipment based on historical data. The programme received a patent and is currently being implemented at the Bratsk HPP. This year it is planned to install it at the station in Ust-Ilimsk.

Investment programme and modernisation

Small HPP projects

GOAL

- Increase energy generation from small HPPs

8.1 MW

Expected generation capacity of small-scale Segozerskaya HPP

DESCRIPTION

To advance its strategic goal of boosting hydropower capacity, En+ Group' has built a preliminary project portfolio equivalent to up to 200 MW total installed capacity. Feasibility studies for these projects will determine their viability and implementation timelines.

En+ Group is making progress on the small-scale Segozerskaya HPP project in Karelia, Russia, taking advantage of a state programme supporting renewable-energy projects through the Capacity allocation contracts (CACs) mechanism. The project's total expected CAPEX is RUB 3 billion (USD 33,4 million[1]).

RESULTS

The small-scale Segozerskaya HPP construction and installation works progressed in 2023, including excavations for the HPP building, tail race channel construction, and pipeline laying for local treatment facilities.

Plans for 2024 encompass completing construction tasks such as erecting the HPP base build, installing local treatment facilities, and assembling core hydraulic equipment.

Wind power project

GOAL

- Promote renewable generation in the Russian Far East

1 GW

Potential capacity of wind farm in Amur Region

DESCRIPTION

En+ Group and CHN Energy signed a joint letter of intent to promote collaboration with a focus on developing the low-carbon energy sector in Russia with support from the Russian Far East and Arctic Development Corporation and the Amur Region government. The two companies will explore electricity export potential to China via existing transmission lines, and construction of new grid infrastructure.

RESULTS

Currently, En+ Group is assessing wind energy feasibility in the Amur Region to select the best wind farm configuration and estimate the capital costs required for the project implementation. The Company is also considering possible options for the grid connection design. Collaboration between En+ Group and CHN Energy focuses on engaging potential technology partners to support project implementation.

The project timeline encompasses key parameter development over 6 to 12 months, followed by the implementation phase involving design, construction, and capacity ramp-up and spanning up to three years.

1 Calculated based on the RUB/USD exchange rate of RUB 89.6883 per dollar as at 31 December 2023.

CHP modernisation programme

GOALS

- Enhance the reliability and safety of En+ Group's CHPs equivalent to 1,445 MW total installed capacity
- Improve local environmental conditions in the Irkutsk Region

33.6 %

Planned upgrade of the total installed CHP capacity

DESCRIPTION

En+ Group participated in the state programme for CHP modernisation ensuring a guaranteed return on investment. The programme involves signing CACs with buyers, market regulators (ATS), and generating companies in the wholesale market, setting the key criteria for participation in the modernisation programme, parameters of capacity supply after the modernisation, and return on investment. En+ Group anticipates a return of up to 14% on its investments into modernisation projects, with a total expected CAPEX estimated at around RUB 26.4 billion (USD 294.4 million[1]) by 2026.

RESULTS

In 2023, TA-1 transformers at CHP-6 (Bratsk), TG-2 turbo generators and a K-4 boiler unit at CHP-10 (Angarsk) were put into operation. Full supply of power from TG-3 to Novo-Irkutsk CHP (Irkutsk) commenced. Core equipment was delivered to CHP-9 (Angarsk) and Ust-Ilimsk CHP (Ust-Ilimsk). CHP-11 highlights: design activities, core equipment deliveries, and TA-3 certification were completed.

In 2024, there are plans to continue programme implementation at CHP-6, CHP-9, CHP-10, CHP-11, Novo-Irkutsk CHP, and Ust-Ilimsk CHP.

Solar energy projects

GOALS

- Increase solar generation

107 million kWh

Additional generation of solar power plant expansion projects

DESCRIPTION

En+ Group is evaluating the feasibility of constructing new solar power plants in its regions of operation, i.e. the Krasnoyarsk Territory, Irkutsk Region, Republic of Buryatia, and Trans-Baikal Territory.

RESULTS

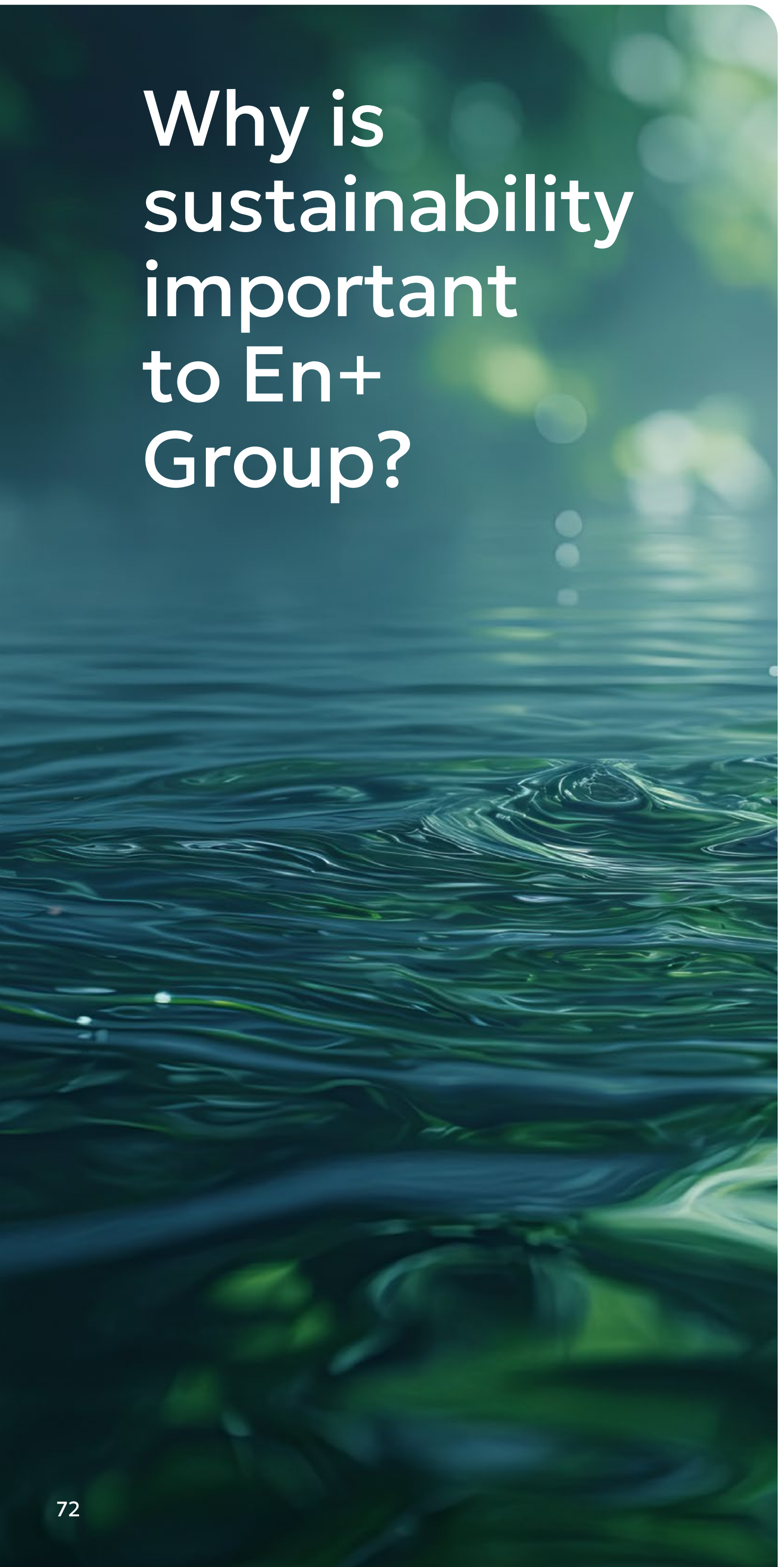
Through a partnership with Unigreen Energy, Russia's largest manufacturer of renewable energy equipment, the Company is formulating a project to expand the capacity of Abakan SPP in the Republic of Khakassia from the current 5.2 MW to 25 MW using domestically produced equipment.

02

04

Sustainable development

SUSTAINABILITY
IS IN OUR DNA



Why is sustainability important to En+ Group?

Part of our culture

En+ Group complies with standards and rules for honest business conduct and ethics, respects human rights, and implements projects to reduce the impact on the environment and climate in the regions of responsibility.

For more details, see the **Corporate Ethics and Compliance** section

Long-term value creation

En+ Group is highly focused on developing sustainable products, using advanced best available technologies to create long-term value.

Meeting the interests and expectations of stakeholders

En+ Group follows responsible business practices and takes into account the needs and interests of all stakeholders.

For more details, see the **Stakeholder Engagement** section

Supporting our business model

Sustainability and global best practices are embedded into everything we do, with a commitment to sustainable development core to En+ Group's ethos. As part of this commitment, the Metals segment continues certification according to ASI standards.

For more details, see the **Business Model** section

Mitigating our risks

En+ Group effectively identifies and manages ESG risks in alignment with the Company's specific business profile. Risk management procedures follow a precautionary approach across all business facets.

For more details, see the **Internal Control and Risk Management** section

Expansion of Low-Carbon Product Line

GRI 305-5

The growing consumer demand for products with a lower carbon footprint fuels our efforts to expand and promote a dedicated line of sustainable products that meet these demands.

1 LOW-CARBON ALUMINIUM BRAND ALLOW

ALLOW aluminium is the Company's flagship brand, offering customers the opportunity to significantly reduce their carbon footprint associated with aluminium products. **The carbon footprint of ALLOW aluminium (Scope 1 and 2) is five times lower than the industry average**, which was verified internationally.

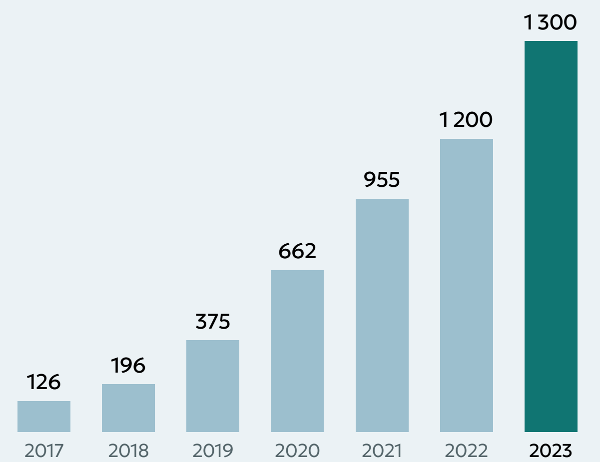
<2.3 t of CO_2 e/t Al

ALLOW aluminium carbon footprint (Scope 1 and 2)

31 %

the share of ALLOW low-carbon aluminium in the aluminium total sales volume for 2023

ALLOW sales volume, kt



2 ALLOW INERTA LOW-CARBON ALUMINIUM BRAND

In the reporting year, En+ Group completed the inert anode technology testing phase. The introduction of the ALLOW INERTA brand represents a breakthrough in sustainable aluminium production, as it leverages inert anode technology to eliminate GHG emissions and cut down production costs. This technology has undergone comprehensive international carbon footprint verification process and found its application in the production of Sayana foil towards the end of 2023.

0.01 t of CO_2 e/t Al

carbon footprint of ALLOW INERTA aluminium (Scope 1 and 2)

4,400 tonnes of aluminium

produced using inert anode technology since the launch

3 USE OF RECYCLED ALUMINIUM

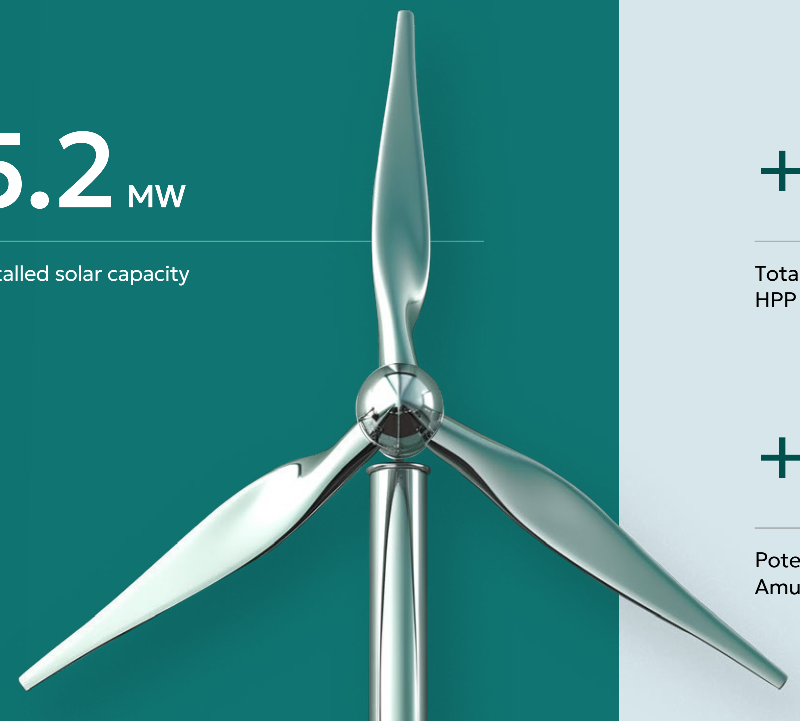
The Company actively incorporates recycled aluminium into its production processes, expanding the line of recycled products with a focus on the following areas:

- closed scrap loop
- using recycled metal in billet and slab production at KUBAL and billets at VgaZ
- producing primary foundry alloys for the automotive industry from recycled materials.

Expansion of Low-Carbon Product Line

As global demand for low-carbon energy keeps growing every year[1], En+ Group is riding this trend by expanding its renewable capacity across hydro, wind, and solar. En+ Group has a large portfolio of renewable capacity expansion projects.

RENEWABLE ENERGY



Current installed capacity	Expected installed capacity
15.2 GW Installed hydro capacity	**+2.5 GW** Total installed capacity of new HPP projects
5.2 MW Installed solar capacity	**+200 MW** Total installed capacity of new small-scale HPP projects
	+1 GW Potential capacity of the wind farm in the Amur Region

RENEWABLE ENERGY CERTIFICATES

En+ Group is contributing to the growing demand for renewable energy by selling green/renewable energy certificates. These certificates authenticate the generation of electricity from renewable sources, i.e. energy from water, aligning with the national voluntary Carbon Zero standard and unlocking an additional revenue stream for the Company.

Renewable energy certificates help:

- cut Scope 2 GHG emissions and product carbon footprints
- offer proof of the origin of the consumed low-carbon electricity.

1 According to data from https://www.lowcarbonpower.org.

Sustainability management

Sustainability governance in the Power and Metals segments

- Power segment
- Metals segment

For more details on the roles of each governance body, see the Additional ESG Data section.

E

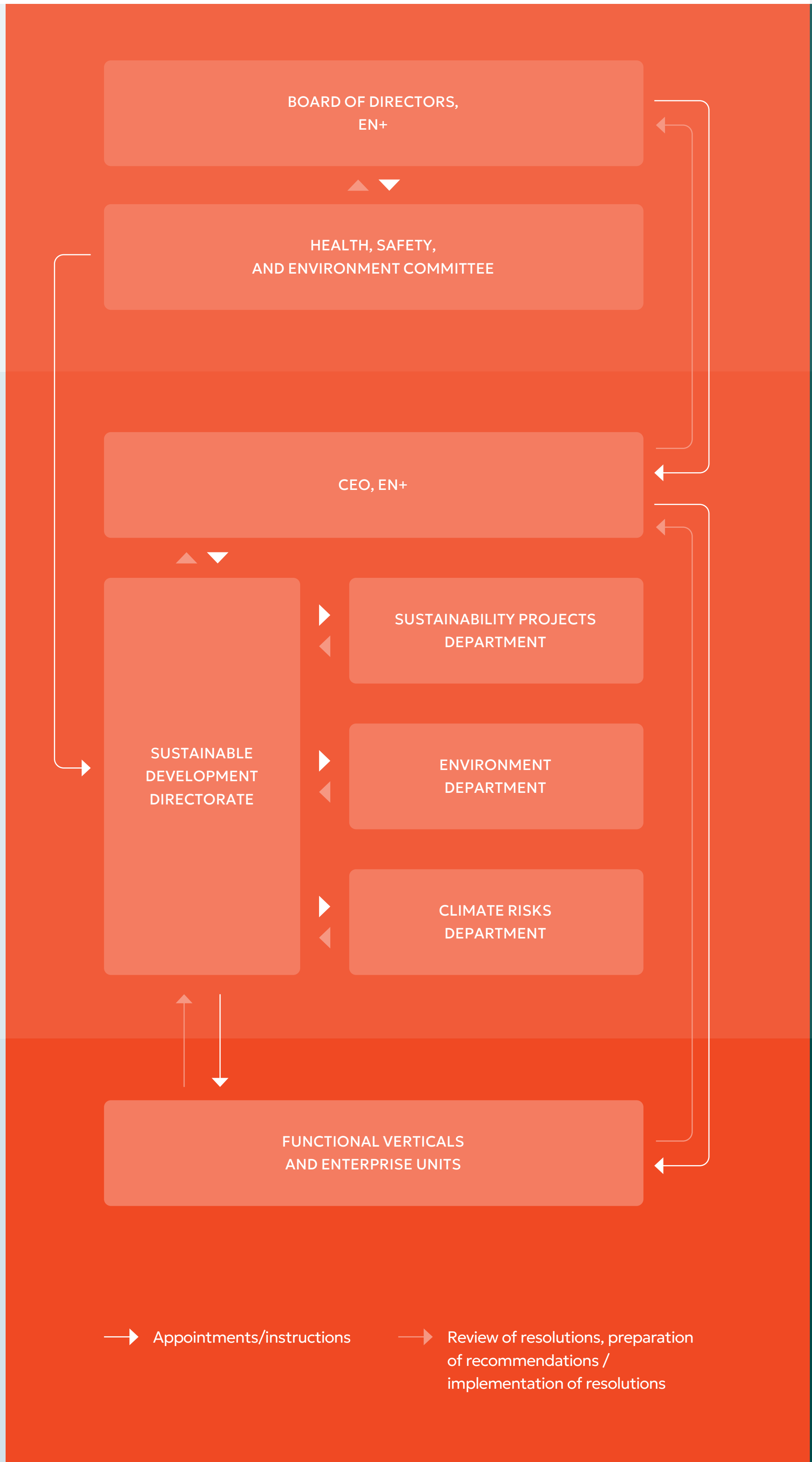
- Environmental Policy
- Biodiversity Policy

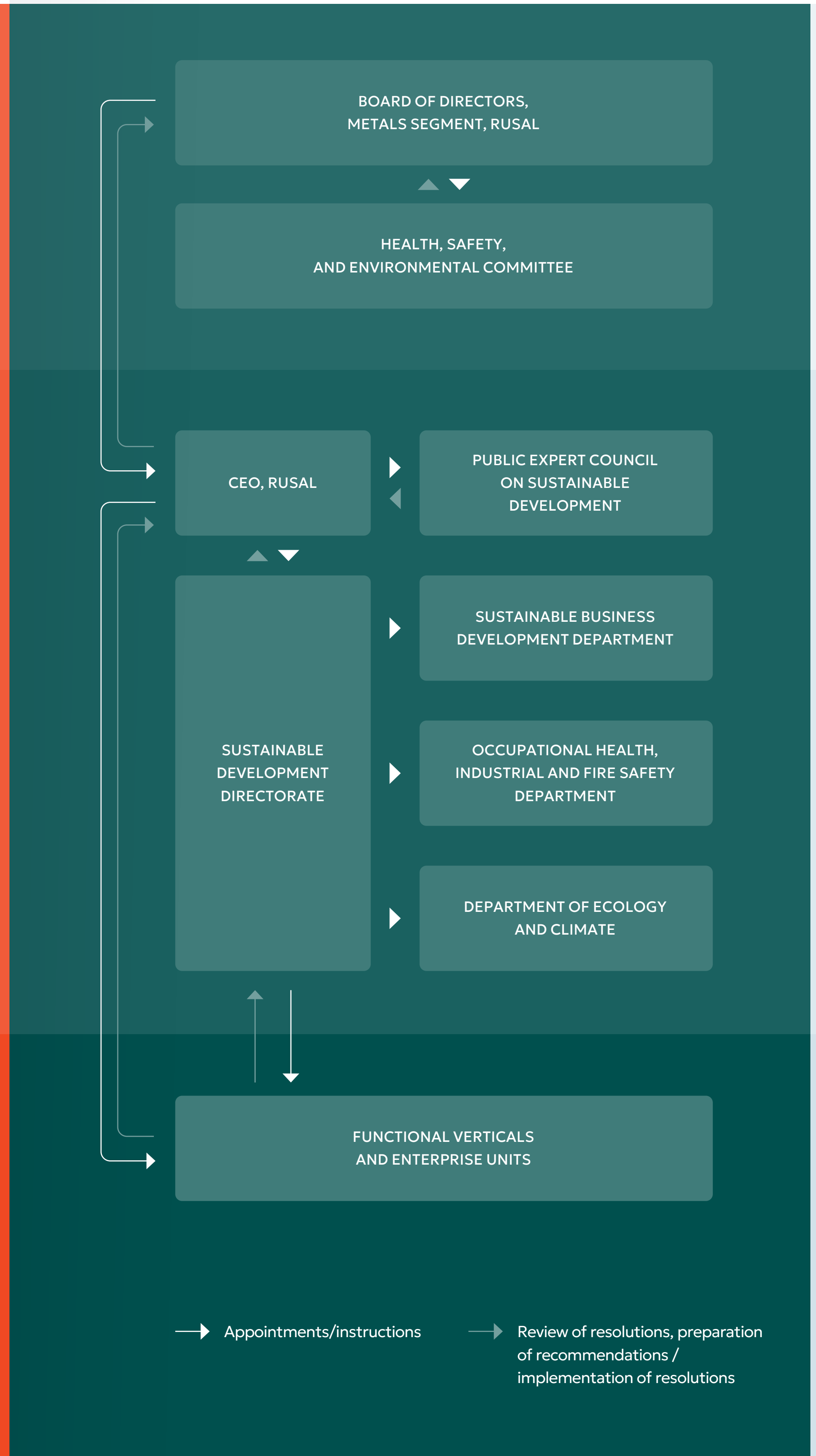
S

- Policy on Human Rights
- Health, Occupational, Industrial, and Fire Safety Policy
- Stakeholder Engagement Policy
- Diversity and Equal Opportunities Policy

G

- Corporate Code of Ethics
- Board of directors Diversity Policy
- Anti-bribery and Corruption Policy
- Quality Policy
- Supplier Standards





E

- Biodiversity Policy

S

- Communication Policy
- Health, Occupational, Industrial, and Fire Safety Policy
- Policy on Human Rights

G

- Internal Audit Policy
- Corporate Code of Ethics

Sustainability management

GRI 3-3

Sustainability management at En+ Group contributes to inclusive economic growth, more equitable social development, environmental sustainability, and ecosystem safety.

It comprises a range of initiatives and measures that drive the achievement of our sustainability goals while incorporating stakeholder views and needs and minimising negative impacts on the environment and people, including on human rights and the economy.

GRI 2-12 GRI 2-13 GRI 2-14

Sustainability management is embedded within the Company's corporate governance system, enabling a focus on sustainability issues throughout the organisation: from the boardroom to the expert units and the shop floor. Within the Metals segment, sustainability management responsibilities lie with RUSAL's Board of Directors. En+ Group, through its representatives on RUSAL's Board of Directors, monitors the Metals segment's advancement of the sustainability agenda. Periodically, the Board committees of En+ Group (Health, Safety, and Environment Committee) and RUSAL (Health, Safety, and Environment Committee) hold joint meetings to track the sustainability strategy status.

For more details on the roles of each governance body see p. 76

GRI 2-25

En+ Group takes a holistic approach to managing the environmental, social, and economic impacts of its business as it consistently builds a robust management system based on international ISO standards and certifies its production facilities to these standards.

ISO 9001:2015
Quality management systems

25 enterprises of the Metals segment are certified to ISO 9001

ISO 14001:2015
Environmental management systems

22 enterprises of the Metals segment[1] and all HPPs and CHPs , included in LLC "BEK", of the Power segment are certified to ISO 14001

ISO 45001:2018
Occupational health and safety management systems

All business units of the Power segment are certified to ISO 45001

13 business units of the Metals segment are certified to ISO 45001

ISO 37001:2016
Anti-bribery management systems

In 2023, our anti-corruption management system was independently assessed for compliance with ISO 37001:2016

ISO 50001:2018
Energy management systems

Aughinish Alumina Refinery holds an international ISO 50001 certificate

ISO 27001:2005
Information security management systems

ISO 26000:2012
Guidance on social responsibility

The Metals segment also maintains certification to the ASI Performance and Chain of Custody Standards. 18 sites certified by the end of 2023.

1 Excluding mothballed capacities.

Materiality assessment

GRI 3-1

Materiality assessment is an integral part of En+ Group's integrated reporting process. When conducting the assessment, the Company leverages its proprietary methodology to analyse its context and engage stakeholders into the process.

GRI 2-25

The materiality assessment process remained unchanged in 2023: the Company continued to be guided by the GRI standards. Having analysed its operating environment, En+ Group revisited the list of impacts on the environment, economy, and people, including impact on their human rights. All impacts were grouped into negative and positive across environmental (E), social (S), and governance (G) pillars.

Stakeholder views were incorporated through a dedicated survey where the respondents could not only rate our listed impacts but also could add other impacts they were concerned about. In 2023, this survey covered 157 representatives from En+ Group's diverse stakeholder community.

GRI 3-2

Based on stakeholder feedback, En+ Group experts generated a ranked list of impacts and curated a prioritised list of 18 impact topics divided into three priority groups. In 2023, a new theme was highlighted—"Just energy transition and low-carbon products".

GRI 2-14

The finalisation of material topics was subject to review and approval by the Board's Health, Safety, and Environment Committee, with the final list thoroughly detailed in the Consolidated Report 2023.

For more information on the materiality assessment process, see the Additional ESG Data section on page 332-333.

Material topics GRI 3-2

I Priority

- Economic performance
- Human rights
- Social and cultural diversity and equal opportunity
- Occupational health and safety
- Sustainable supply chain
- Just energy transition and low-carbon products

II Priority

- Safe waste management
- Employees management and engagement
- Air quality
- Local community engagement
- Energy management
- Climate change
- Water and wastewater management
- Biodiversity
- Innovation management
- Business ethics

III Priority

- Environmental compliance and the best available technologies (BAT)
- Corporate governance

Sustainability management

En+ Group's materiality assessment stages GRI 3-1

1 Identification of the Company's impacts

- Analysis of En+ Group's context by internal experts: business model, Company strategy, business activities (bauxite mining, alumina refining, aluminium production, electricity and heat generation), and business relationships (relationships with partners and within the supply chain)
- Analysis of feedback from stakeholders, their suggestions and comments, including through feedback channels
- Benchmarking of impacts and material topics that were disclosed in the reports of Russian and international metallurgical, mining, and energy companies in previous reporting period
- Analysis of the requirements set forth in international industry standards and initiative guidelines

OUTPUT

a list of En+ Group's actual and potential positive and negative impacts

2 Assessment of the significance of impacts

- Determination of the method to incorporate stakeholder views
- Conducting an online survey of stakeholders to identify the most significant positive and severe negative impacts

OUTPUT

a list of impacts ranked by stakeholders

3 Prioritising and grouping impacts into topics

- Setting a threshold to filter out less significant impacts
- Grouping significant impacts into topics
- Prioritising material topics based on their resulting significance
- Testing material topics against international standards, industry best practices, and guidelines

OUTPUT

significant impacts grouped into topics

4 Approval of the list of material topics

- Review and approval of the final list of material topics by En+ Group's senior management and Board of Directors

OUTPUT

list of approved material topics

Contribution to Sustainable Development Goals

GRI 2-23

En+ Group embraces the United Nations Sustainable Development Goals (UN SDGs) and aligns its business activities with them. Recognising the importance of all 17 UN SDGs, En+ Group concentrates its efforts on nine goals most pertinent to its businesses and stakeholders.

In line with the UN SDGs and the global sustainable development agenda, En+ Group integrates these sustainability aspirations into its business model, translating them into measurable targets. The Health, Safety, and Environment (HSE) Committee is tasked with monitoring progress against these set targets. The measurable targets in line with the Goals are detailed in the sections covering relevant sustainability pillars.

For more details on En+ Group's contribution to SDGs, see the SDG Report for 2023.

Sustainability management

Contribution to the national development goals of the Russian Federation

GRI 2-23

En+ Group actively contributes to Russia's national development goals by implementing various projects and organising events to engage its stakeholders. En+ Group's efforts are focused on supporting strategic initiatives that contribute to economic development, social welfare, science and technology advances, as well as on ensuring environmental sustainability and enhancing the quality of life for people across Russia.

For more details on En+ Group's contribution to the national goals of the Russian Federation, see the SDG Report.

NATIONAL GOAL	EN+ GROUP PROJECT	2023 RESULTS	
Preservation of the population, the healthand welfare of the people	• Setting up corporate healthcare centre and facilitating access to medical care for employees	100 % — Employees got access to VHI	RUB 424.1 mn — (5.0 USD mn)[1] — investments in healthcare
	• Employment of people with disabilities	900 — People with disabilities employed by the Company	
	• Provision of access to sports facilities for employees • Get on Your Skis project • Construction of martial arts centres	RUB 790.2 mn — (9.3 USD mn[1]) — investments in sports facilities	3 — Martial arts centres were built
Conditions for self-fulfilment and the unlocking of talent	• Knowledge with a Plus Sign programme	~ RUB 2 bn — (23.2 USD mn[1]) — investments in educational projects RUB 400 thsd — (4.69 USD thsd[1]) — The amount of grants for the winners of the Energy Lab project	3 Multilabs — Opened in Angarsk, Bratsk and Nizhny Novgorod
	• UNIVER training portal	>100 — Number of courses available for employee training	
	• My Career 2.0 programme	30 — Employees are to be promoted following their participation in the My Career programme	
	• World with a Plus Sign and Helping Is Easy volunteer support programmes	RUB 77.1 mn — (USD 0.9 mn[1]) — investments in volunteer projects	6,037 people — Number of participants in Project 360 in 2023[2]
	• Support for cultural initiatives	RUB 39 mn — (0.5 USD mn[1]) — investments in culture promotion	
Comfortable and safe environment	• Preferential mortgage schemes and a housing programme for employees	323 — Employees have purchased housing on preferential terms	
	• Support for infrastructure projects	RUB 1.2 mn — (13.8 USD mn[1]) — investments in infrastructure projects	46 PPP[3] — Projects co-financed in the Irkutsk Region
	• Environmental project grant competition	21 projects — were supported as part of the Environmental project grant competition	

1 Hereinafter, calculated based on the 2023 average USD/RUB exchange rate of RUB 85.25 per dollar.

2 Project "360" is one of the largest environmental volunteer initiatives in Russia, has been successfully developing for 13 years and implements projects to increase environmental awareness among local communities.

3 Public-private partnership.

Sustainability management

Contribution to the national development goals of the Russian Federation

NATIONAL GOAL	EN+ GROUP PROJECT	2023 RESULTS
Comfortable and safe environment	• Environmental risk management plan	RUB 17.6 bn — (USD 207 mn)— investments in environmental projects 68 % — Share of reused and recycled waste 350.5 hectares — Land reclaimed
	• Participation in the Clean Air federal project	–16.6 % — Reduction of intensity of air emissions per revenue (mn RUB) in Power segment compared to 2021
	• Climate Strategy implementation	>30 mn — Carbon Zero certificates sold by En+ Group 2.3 t CO_2e/t Al — intensity of GHG emissions (Scope 1 and 2) 5,948 thousand GJ — Energy saved through energy-efficiency measures ↓12.9 % — intensity of GHG emissions from electrolysis operations for the Metals segment (compared to 2014)

NATIONAL GOAL	EN+ GROUP PROJECT	2023 RESULTS
	• Biodiversity conservation programmes • Lake Baikal protection programme	79 — Number of identified fisheries offences 2,830 m — fishing grounds seized by fisheries protection 26 — members of the Baikal plastic free Association 12 flag species 26 background species — Biodiversity indicators for Angara HPPs 5 years — of Integrated Environmental Scientific Monitoring of Lake Baikal
Decent and effective jobs and successful enterprise	• Setting up workers' associations in various forms (youth councils, work councils, women's councils) • Support for the Dobroservice advisory support line • Meal allowance for employees • Pension plans for employees	RUB 9.5 bn — Spending on employee welfare 13,190 — Number of new employee hires 79.8 % — Employee satisfaction
	• Occupational health strategy implementation	RUB 5.2 bn — (USD 64 mn)— OHS investments –5.9 % — LTIFR reduction compared to 2021
	• Support for Russian suppliers, small and medium-sized businesses	62 % — Share of purchases from local suppliers
Digital transformation	• Development of an internal electronic document management system • Implementation of the Digital Transformation Strategy • The IT Academy project	700 people — Number of participants in the RoboSib robotics festival 226 — Number of participants in the IT Academy project

Climate and environment

Climate change

INTERNAL REGULATIONS

- Environmental Policy
- Regulations on Risk Management

MATERIAL TOPICS

- Climate change
- Energy management
- Just energy transition and low-carbon products

by 35 %

Reduction of GHG emissions by 2035 compared to 2018

2.3 t CO_2e/ t Al

Intensity of GHG emissions (Scope 1 and 2)

5,948 ths GJ

of energy saved through energy-efficiency measures

Governance

GRI 3-3

En+ Group's climate change management and climate-related risks mitigation system ensures effective task resolution and control.

GRI 2-13

Within the Company's governance structure, the HSE Committee assumes a pivotal role in monitoring and reporting these risks to the Board of Directors for prompt consideration. Senior management is actively engaged in climate-related decision-making processes, with a specific Climate Change Taskforce, led by the Chief Operating Officer, driving initiatives towards achieving climate goals and reporting to the HSE Committee.

For more details on climate risks management efforts of the Company, see the Risks Management section on page 94.

In 2023, En+ Group revamped its climate risk management structure, the Environmental and Climate Risk Management Department was transformed into the Climate Risks Department and the Environment Department. The Climate Risks Department is tasked with evaluating and addressing climate risks.

Climate-related KPIs are set across management levels, from top management to line management, with target values established by En+ Group based on in-depth analyses of processes and employee contributions towards climate goals.

GRI 2-25

En+ Group's cornerstone internal document addressing climate change issues is its Environmental Policy.
It sets guiding principles for climate change mitigation encompassing:

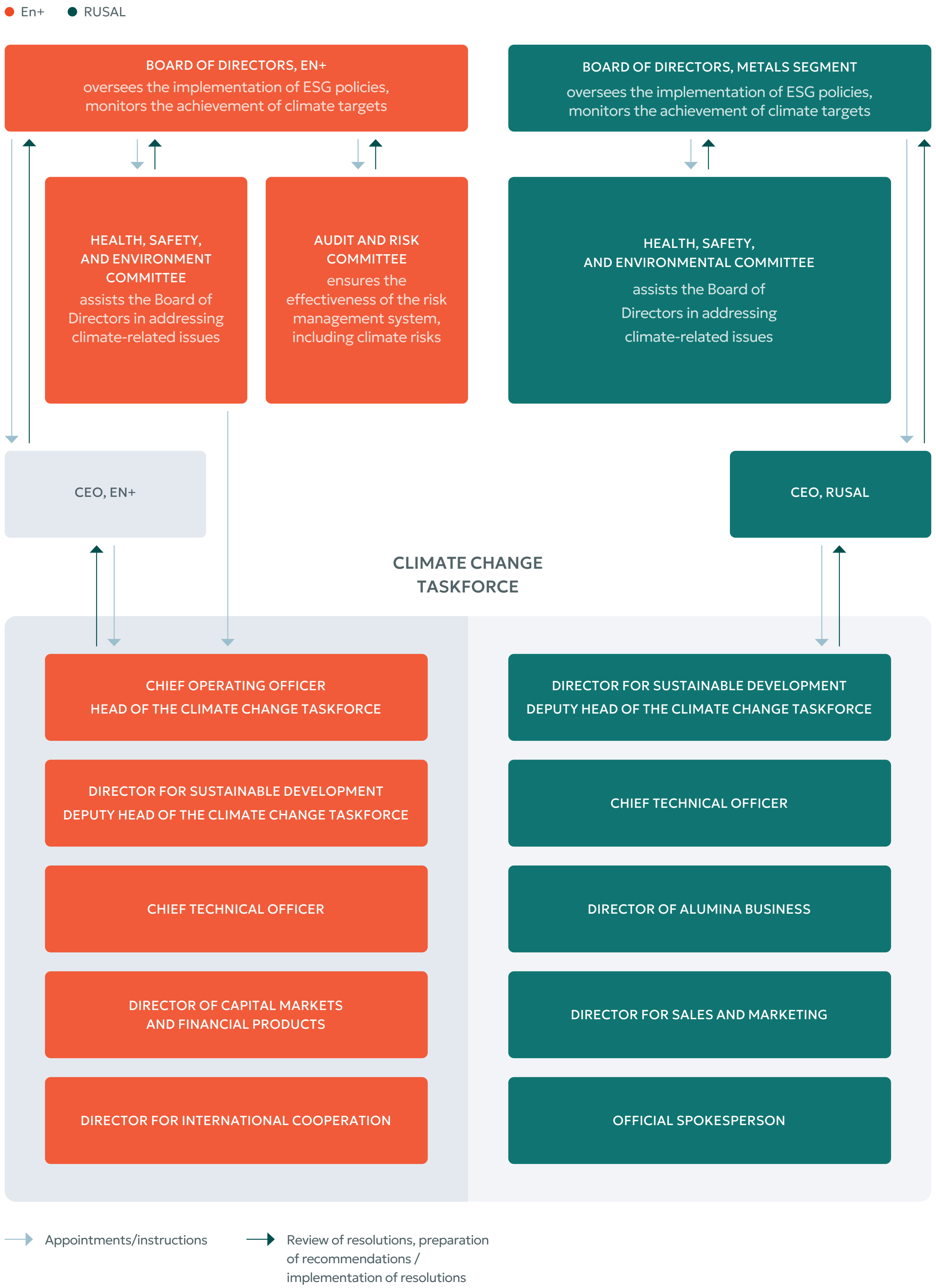
- Consideration of climate risks
- Setting long-term strategic goals
- Stakeholder engagement
- Participation in global and local climate change initiatives

The Company's risk assessment methodology for environmental and climate risks relevant to it is described in the Regulations on Risk Management. En+ Group regularly communicates its key achievements in combatting climate change through publications on the website netzero.ru and in its annual Climate Reports.

For more details on the Climate Reports for 2021, 2022, and 2023, visit the Company website.

Climate and environment

Management structure for climate-related topics and climate risks GRI 3-3



Strategy

GRI 3-3 SASB EM-MM-110a.2 IF-EU-110a.3

En+ Group is working towards achieving carbon neutrality by following these key principles:

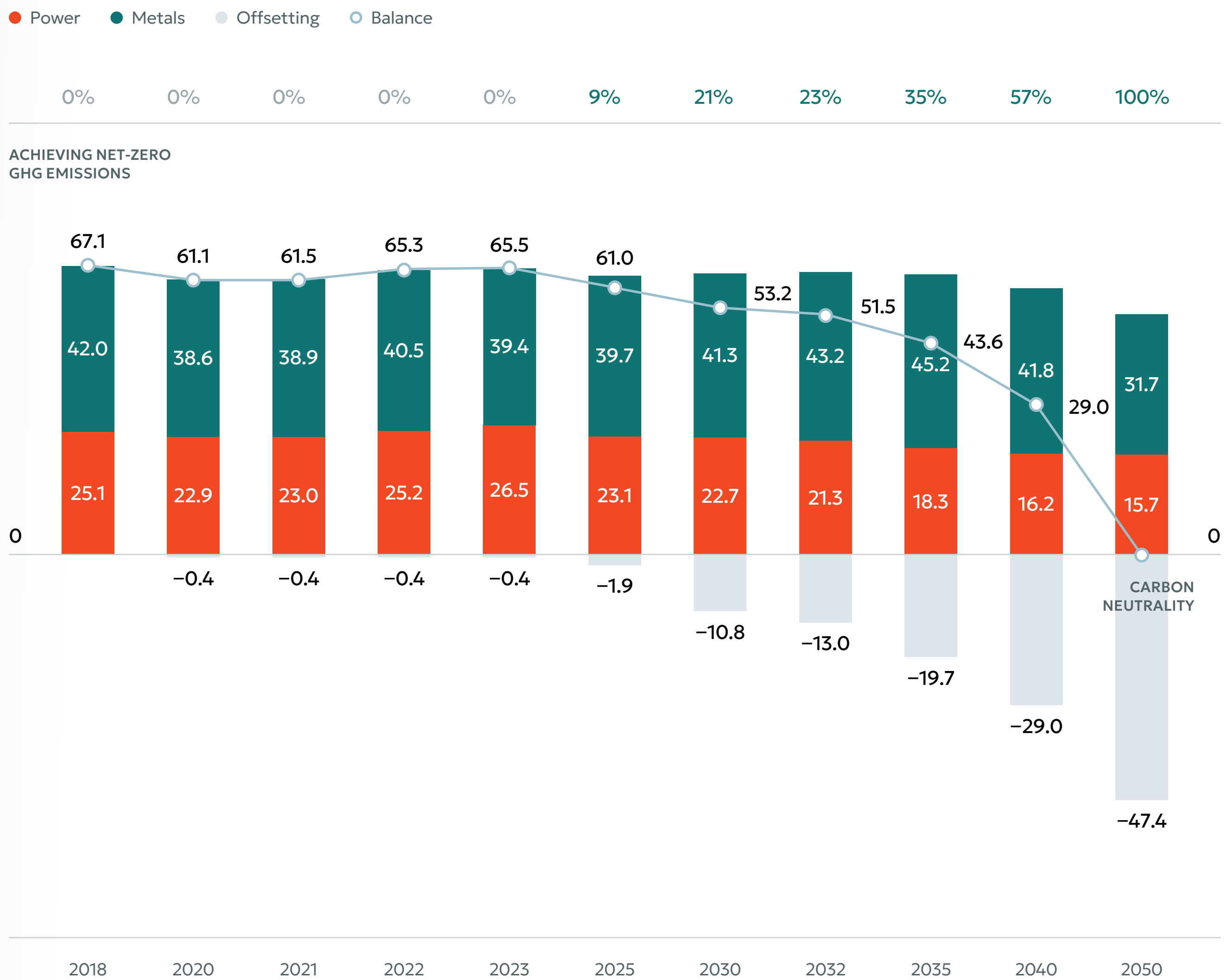
It has developed a decarbonisation roadmap which sets the estimated timeline for planned reductions in GHG emissions for each segment.

Net Zero Day

SASB EM-MM-110a.2 IF-EU-110a.3

In September, En+ Group in collaboration with leading climate experts held a Net Zero Day. Company representatives showcased En+ Group's key ESG projects and initiatives aimed at reducing climate impact. The event culminated with a presentation of the Pathway to net zero report prepared by the Company. As part of Net Zero Day, participants planted trees.

Decarbonisation Roadmap, mt CO_2 e



Climate and environment

Emission reduction measures

Measures to achieve carbon neutrality GRI 305-5

METALS SEGMENT

MEASURES 1/2

Alumina production

33%

Share in the carbon footprint

Increase in energy efficiency

Projects are carried out on a regular basis across all enterprises of the Division

Progress

For more details on the measures, see the Energy Management section on page 100.

Greenhouse gas capture

Achinsk Alumina Refinery is actively engaged in a pilot operation employing pollution control technology utilising sludge wet scrubbers to capture carbon dioxide, where a curtain of alkali-infused droplets formed in the device reacts with CO_2 to form soda. This project is expected to reduce emissions from sintering furnaces.

Progress

Aluminium production

27%

Share in the carbon footprint

Conversion to Eco-Soderberg technology

Eco-Soderberg technology, featuring upgraded electrolysers, was implemented in 2023, resulting in reduced energy consumption, lower GHG emissions as well as lower pollutant emissions.

Progress

309 new electrolysers were installed in 2023.

For more details on the measures, see the Investment Programme and Modernisation section on page 64.

Switching to inert anodes

Transitioning to inert anodes as a substitution for the traditional carbon technology is set to almost entirely eliminate GHG emissions.

Progress

POWER SEGMENT

MEASURES 1/2

Hydro generation

<1%

Share in the carbon footprint

Estimation of GHG emissions from reservoirs

From 2020 to 2022, the Company conducted a large-scale campaign to measure anthropogenic GHG emissions from the reservoirs of the Irkutsk, Brask and Ust-Ilimsk HPPs according to the international methodology of the International Energy Agency. Measurements have shown that emissions from reservoirs are lower than global average levels. In 2023, together with the Institute of Global Climate and Ecology, average coefficients for the Russian Federation were calculated for reservoirs in boreal and temperate climatic zones.

Progress

HPP modernisation

The New Energy programme endeavours to revamp En+ Group's HPPs with the objective of boosting hydro generation to replace current generation volumes from CHPs. In 2023, the growth in annual electricity production reached 2.2 billion kWh, resulting in a substantial reduction of emissions by 2.515 mt CO_2 e.

Progress

New HPP construction

The project is designed to provide the regions with renewable energy. Plans are made to put Motyginskaya, Krapiva, Nizhneboguchany, Telmanskaya, and Segozerskaya HPPs into operation. These projects are progressing at various stages. The launch of Motyginskaya HPP is geared to facilitate green hydrogen production.

Progress

Generation at CHP

34%

Share in the carbon footprint

CHP conversion to gas

The project is not only aimed at curbing GHG emissions, but is also expected to address and overcome relevant environmental challenges. The government of the Irkutsk region, together with a gas production company, is developing a gasification program for the Irkutsk region, within the framework of which the possibility and conditions of converting the Group's CHPs to gas fuel are being considered.

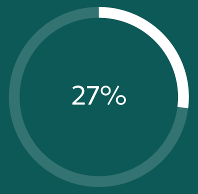
Progress

Climate and environment

METALS SEGMENT

MEASURES
2/2

Aluminium production



Share in the carbon footprint

Switching to pre-baked anodes

GHG emissions from the electrolysis process are expected to be reduced by at least a quarter. Taishet aluminium smelter, using such technology, has been launched in commissioning mode. The aluminium smelters modernisation projects envisaging the conversion to the pre-baked anode technology have passed the State Environmental Expertise.

Progress

For more details on the measures, see the Investment Programme and Modernisation section on page 64.

Scrap recycling

VgaZ uses the scrap to produce billets. KUBAL uses the scrap to produce slabs and billets.

During the reporting period, the Metals segment launched the production of the PEFA alloy designed for the automotive industry. The product contains 20% of aluminium scrap, plans are made to increase this to 30% in the future.

Progress

Offsetting

Peatland watering

In the reporting period, an initiative to neutralise GHG emissions through peat deposit secondary watering in the Leningrad Region was launched by En+ Group in partnership with the Centre for Sustainable Technologies. In 2023, specialists selected promising peat deposits for watering in the Dedovo Pole peatland. The initiative is projected to yield a reduction in emissions by 9–10 tonnes of CO_2e per hectare annually.

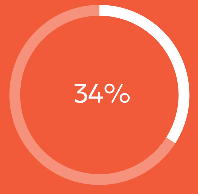
Forest aerial protection

Since 2019, the Metals segment has been implementing a forest aerial protection and forest fire prevention initiative. The project was officially registered within the Register of Carbon Units in 2023. Its implementation is expected to result in the absorption of GHG emissions of over 5 million tonnes of CO_2e by 2033.

MEASURES
2/2

POWER SEGMENT

Generation at CHP



Share in the carbon footprint

Increase in energy efficiency

Progress

For more details on the measures, see the Energy Management section on page 100.

Hydrogen energy

Development of cryogenic tank containers

One of the challenges encountered in the advancement of the hydrogen energy sector is the need to maintain low temperatures during hydrogen transportation. The Company is actively engaged in developing cryogenic containers, a specialised technology designed to avert hydrogen evaporation. En+ Group is currently conducting R&D activities to refine the design of tank containers.

Progress

Development of the hydrogen transport infrastructure concept

A project is being implemented to develop infrastructure for passenger hydrogen transport in pilot regions (Irkutsk, Krasnoyarsk). The Company is holding negotiations with government officials and other stakeholder.

Progress

Hydrogen production by electrolysers

The Company is currently exploring the possibilities of hydrogen transportation and consumption.

Progress

Capture

CCUS technology

En+ Group is exploring the integration of carbon capture, storage, and utilisation technologies, collaborating with partners from the oil and gas sector.

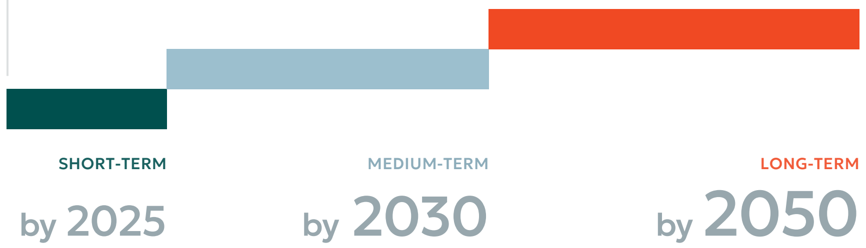
Climate and environment

Risk management

GRI 201-2

In 2021, En+ Group conducted an assessment of climate-related risks and opportunities following the Task Force on Climate-related Financial Disclosures (TCFD) guidelines[1], encompassing over 50 enterprises across various regions. Every year the Company updates the list of climate risks and planning horizons.
In the reporting year, as part of this initiative, two additional enterprises in Volgograd and Krasnoturinsk were included in the risk assessment scope.

Risks are considered over three planning horizons.
The greatest number of risks are deliberated in the long term.



For the risk assessment purposes, the Company uses three Shared Socioeconomic Pathways (SSP) climate change scenarios

SSP1-2.6	1.5–2 °C warming	Sustainability
SSP2-4.5	2–4 °C warming	“Middle of the road”
SSP5-8.5	4–7 °C warming	“Increasing use of fossil fuels and accelerating global warming”

Climate risk assessment stages

1. Benchmarking and analysis of data associated with climate-related risks and opportunities
2. Scenario-based assessment of the climate risks priority

   (to determine it, statutory regulations, available technologies, the situation in product markets are analysed; the time frame of risks and the severity of their impacts are taken into account)
3. Assessment of risk compliance with En+ Group’s overall risk management principles, encompassing the planning of mitigation measures as necessary

1 TCFD—Financial Stability Board (FSB) Task Force on Climate-Related Financial Disclosures. From 2024, the responsibility for companies’ climate disclosures monitoring is transferred from the TCFD to the International Sustainability Standards Board (ISSB) of the IFRS Foundation.

Physical risks and opportunities

En+ Group incorporates any identified physical climate risks into its business strategy to proactively address potential impacts on its operations and financial performance.
Physical risks stemming from diverse factors:

Physical risks factors

Acute

- Unusually hot or cold temperatures
- Flooding, road erosion due to prolonged and heavy rains and showers
- Floods due to abnormal rainfalls
- Storms
- Drought
- Wildfires
- Strong winds

Chronic

- Gradual increase in average annual temperatures
- Increased number of zero-temperature phase transitions
- Increased rainfall volume

Physical climate risks

- Infrastructure disruptions
- Breaching of the integrity of production facilities
- Supply disruptions
- Reduced productivity

Opportunities associated with physical climate factors

- Construction of new renewable energy generation facilities due to a wider use of renewable energy sources
- Saving money and fuel resources to a reduced heating season

A complete list of the Company’s physical and transition climate risks is provided in the Additional ESG Data section on page 336.

Prior to any construction or modernisation endeavours, En+ Group meticulously evaluates the potential negative impacts of natural factors to minimise the likelihood of their occurrence. This measure allows the Company to safeguard enterprise structures against climate related hazards.
The impact of such risks is considered both in the short and long term perspective. Furthermore, En+ Group integrates these physical climate risks into emergency response planning.

Transition risks and opportunities

The principal risks of the transition period, if occurred, may result both in financial losses and reputational damages to the Company.

Transition climate risks

Regulatory

- Tightening of ASI main requirements
- Development of the Aluminium Sector Greenhouse Gas Pathway by IAI
- Development of the Carbon Border Adjustment Mechanism
- Emergence of new Russian legislation requirements in the field of GHG emissions regulation

Reputation

- Reputational costs caused due to a failure to comply with new legal requirements in the field of emissions regulation

Technology

- Costs of introducing new technologies to reduce the product carbon footprint
- Unstable operation of new equipment
- Increased volume of emissions caused due to the use of technology innovations and new materials

Market

- Loss of consumer interest in the Company’s products due to their high carbon footprint, if compared with products of competitors
- Lower demand for coal

Opportunities associated with transition climate factors

- Use of new modern and effective technology innovations
- Profit growth due to increased volume of sales of low carbon footprint products
- Penetrating new and evolving markets
- The possibility of obtaining additional profit due to the emergence of new economic instruments: renewable energy attribute certificates, carbon units from the implementation of climate projects.

In 2023, no new physical or transition climate risks threatening the Company were identified. None of the risks previously identified occurred.

Climate and environment

Assessment of the impact of climate change on the Angara HPP cascade

GRI 201-2

In 2023, the Company continued work on its project launched in 2022 focusing on Angara HPP cascade adaptation to climate change.

The project is implementing in collaboration with the Yu.A. Izrael Institute of Global Climate and Ecology and the Water Problems Institute of the Russian Academy of Sciences, who have provided scientific support and assistance

The approach to climate change adaption of HPPs was adopted in line with the Hydropower Sector Climate Resilience Guide (developed by the IHA)[1] built on the consistent scenario-based assessment of climate-related risks, stress testing, and the development and implementation of climate change adaptation measures. Historical climate change data was assessed and key trends that have the potential to magnify risk were identified. For the selected climate scenarios — the most probable (SSP2-4.5) and stressful (SSP5-8.5) — the main climate risk factors (changes in temperature, precipitation and humidity) were determined over three planning horizons — 2030, 2050, 2100. Based on this data, a detailed register of physical climate risks was compiled. A hydrological model of the river flow in the Lake Baikal basin and the Angara river to the Ust-Ilimsk HPP was set. It was used to calculate scenario-based forecasts of the useful water inflow into the cascade reservoirs for the specified planning horizons.

In 2024, a number of calculations are going to be conducted using a model simulation of the Angara river water management system in its upper and middle courses. This will help the Company develop scenario-based forecasts in regard to electricity generation at the HPP, and water levels in the reservoirs. It will also allow for an assessment of the sufficiency of water supply to consumers and offer reasonable recommendations as to which measures should be taken to ensure adaptation to the predicted changes. These outcomes will serve not only En+ Group but also government bodies at federal and regional levels.

The findings from the 2023 evaluations laid the groundwork for regional adaptation projects in the Irkutsk Region, under guidance from the Adaptation of Russian Regions to Climate Change PBL programme initiated by the Agency for Strategic Initiatives.

1 IHA (International Hydropower Organization) - International Hydropower Association, the largest association of hydropower manufacturers, developer of global industry standards.

Climate and environment

Metrics and targets

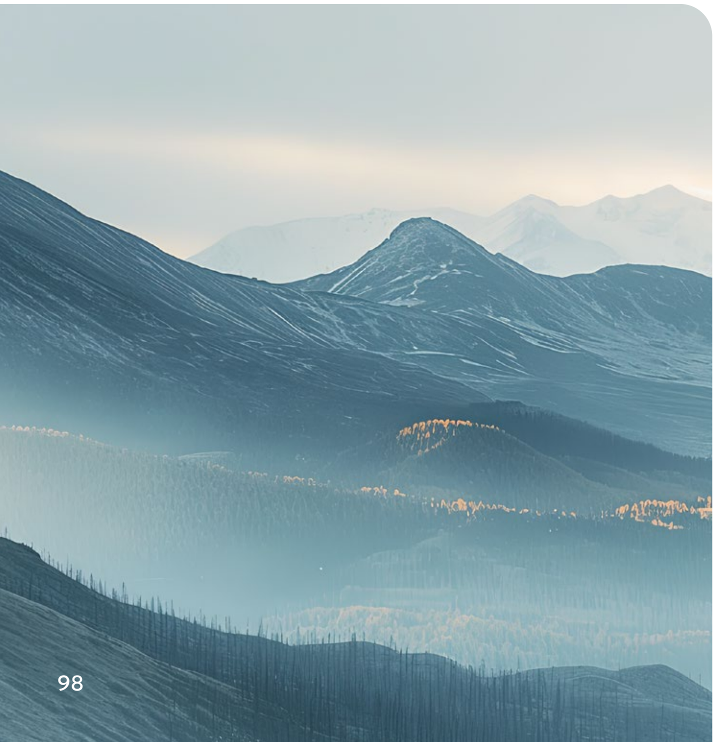
SASB EM-MM-110a.2 | IF-EU-110a.3

CLIMATE TARGETS OF EN+ GROUP

GOALS	STATUS	PROGRESS made in 2023
• Reduce GHG emissions by 35% by 2035 compared with 2018	• On track	• GHG emissions in scopes 1, 2 and 3 increased by 0.3% compared with 2022 due to the low water supply of the Yenisei, the increase in energy consumption in the Irkutsk region and the associated increase in condensation generation from CHPs.
• Achieve net zero GHG emissions balance by 2050	• On track	• The Path to Carbon Neutrality report for 2023 specifying in detail the status of the climate projects implementation was published on the Company's website on September 29, 2023

GRI 3-3 | SASB EM-MM-110a.2 | IF-EU-110a.3

In order to achieve its targets, En+ Group actively pursues initiatives to prevent and reduce GHG emissions while implementing compensatory measures. In 2023, the Board of Directors of En+ Group approved the decision to extend the medium-term climate target deadline set for 2030 to 2035. The decision was made based on the compelling need, and the Company's commitment, to aligning its operations with evolving challenges and contemporary realities.



GRI 305-1, 305-2, 305-3 | SASB EM-MM-110a.1 | IF-EU-110a.1, IF-EU-110a.2

The Company accounts for GHG emissions in scopes 1, 2 (market approach) and 3. The calculated metrics included emissions of carbon dioxide, methane, perfluorocarbon, and nitrous oxide. The following guidelines were used to carry out the calculations:

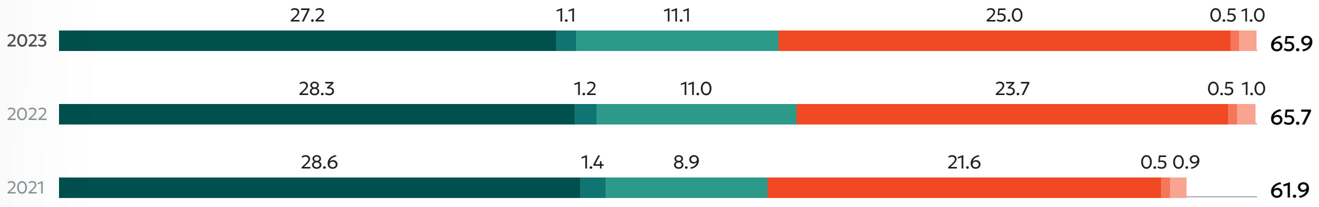
- Greenhouse gas protocol Scope 3 Calculation Guidance
- IPCC Guidelines for National Greenhouse Gas Inventories
- Order No. 371 of the Ministry of Natural Resources and Environment of the Russian Federation On Approval of Methodology for Quantitative Determination of Greenhouse Gas Emissions and Greenhouse Gas Absorptions, dated 27 May 2022
- Methodology for determining direct GHG emissions during the production of primary aluminium
- Methodology for determining direct GHG emissions during the production of alumina
- Methodological guidance on the quantitative assessment of GHG emissions from the production of electricity supplied from the energy system of the Russian Federation

In 2023, the Company's **gross** GHG emissions across its three scopes were 65.9 million tonnes CO_2e, increasing by 0.3% compared with 2022. At the same time, emissions from the Metals segment decreased by 3% and amounted to 39.5 million tonnes CO_2e, while emissions from the Power segment increased in 5%, reaching 26.5 million tonnes CO_2e. This dynamics was caused by a decrease in output from HPPs by 0.3% and an increase in output from CHPs by 10.1%, which was due to an increase in electricity consumption in the Irkutsk energy system by 4.0% in 2023.

GRI 305-1, 305-2, 305-3 | IF-EU-110a.1 | IF-EU-110a.2 | SASB EM-MM-110a.1

Direct (Scope 1) and indirect (Scope 2 and 3) GHG emissions,

mt CO_2e



GRI 305-4

Specific GHG emissions (carbon dioxide, methane, perfluorocarbon, nitrous oxide) released during the electrolysis operations that were carried out by the Metals segment decreased by 12.9% in the reporting period compared with 2014 baseline. At the same time, GHG emissions intensity of Power segment increased by 5% compared to 2022.

↓12.9 %

the intensity of specific GHG emissions from aluminium electrolysis decreased

compared to 2014

GRI 305-4

Intensity of GHG emissions from electrolysis operations for the Metals segment,

t CO_2e/ t Al

METALS SEGMENT

GRI 305-4

GHG emissions intensity,

mn t CO_2e /billion kWh

POWER SEGMENT

For more information on climate impacts, see Additional ESG Data on page 336.

Climate and environment

Energy management

Governance

GRI 2-13, 3-3

A more efficient use of energy resource also facilitates GHG emissions reduction. Reducing energy consumption at all stages of the production cycle is the basis of the Company's Technical Policy. Energy efficiency issues are within the Board of Directors' scope of responsibility. The HSE Committee, under the Board of Directors, reviews energy efficiency reports provided by the CEO and makes decisions regarding recommendations to the Board of Directors. In the Metals and Power segments, the Technical Directorate is responsible for improving energy efficiency. Indicators related to energy consumption and energy efficiency are incorporated in to KPIs of Company employees.

The Aughinish alumina refinery holds an ISO 50001 certificate, which allows the enterprise to follow a systematic approach in achieving consistent improvement of the energy system, including energy efficiency, energy security and energy consumption.

Strategy

81% of the total volume of energy produced in 2023 is renewable. En+ Group increases renewable electricity generation from HPPs through implementation of the New Energy programme. Other projects aimed at increasing the volume of energy produced by renewable sources are also being implemented: the construction project assessment of a wind power plant in the Amur Region is underway. In addition to this, En+ Group is considering the possibility of expanding the Abakan SPP.

For more details, see the Investment Programme and Modernisation on page 64.

GRI 302-4

An equally important area for the Company is ensuring uninterrupted supplies of electric power and heat energy to customers, and to reduce losses in the networks of its operating facilities. Measures are being taken by the Power segment to reduce the costs related to its own electricity and fuel consumption. This is done through modernisation and organisational steps, to cut losses of electricity, steam and condensate, to ensure optimal loads on equipment at CHPs by saving energy resources and temperature control. As a result of the implementation of all energy efficiency projects, the energy savings of En+ Group's Power segment amounted to 5,958 thousand GJ. The Metals segment is implementing various initiatives aimed at modernising equipment and improving technological processes which would allow the Company to reduce the consumption of electricity and heat energy. In 2023, the technologies relating to the use of weak liquid solutions in furnace charge mix production, preventing ore settling in the hoppers of wet grinding mills, were developed and applied, as well as energy-efficient and ultra-energy-efficient electrolysers being designed.

Risk management

In the reporting year, risks associated with energy management were not regarded as significant and were not included in the general list of En+ Group's risks. In order to minimise the risks associated with energy consumption and energy efficiency, En+ Group implements energy efficiency measures at each of its enterprises.

Metrics and targets

EN+ GROUP'S KEY GOALS IN ENERGY EFFICIENCY

GOALS	STATUS	PROGRESS made in 2023
• Reduce the average carbon intensity of electricity produced and consumed	• On track	• In order to achieve the target, the Company is developing initiatives focused on bolstering the capacity of renewable energy production, executing energy efficiency schemes, and pursuing research to identify techniques for optimising load flexibility within a cluster of CHPs to leverage the advantages of combined generation more effectively.
• Increase the use of alternative energy sources by 2030 	• On track	• En+ Group's Metals segment has reached the target. SASB EM-MM-130a.1 The Metals segment continues to produce aluminium using carbon-free energy sources. The Power segment is increasing the production of electricity from renewable sources through improving the efficiency of existing HPPs, it is also formulating initiatives aimed at increasing the volume of renewable energy production (HPPs, wind power plants, solar power plants).
• Increase the efficiency of HPPs, increase the production of clean electricity by 2.5 TWh, prevent emissions of over 2.5 mt CO_2 equivalent per year from coal-fired power plants starting from 2025	• On track	• Annual hydroelectricity output surged by 2.2 TWh, leading to a decrease in annual emissions by 2.8 mt CO_2 e. This increase in hydroelectric power production enabled the Company to partially replace the electricity generated by CHPs to meet the demand

Climate and environment

GRI 302-1 SASB EM-MM-130a.1

In 2023, the Company consumed a total of 353.0 energy, which is 0.8% more than in the previous year.

GRI 302-1 SASB EM-MM-130a.1

Energy consumption, mn GJ[2]

GRI 302-3

The energy intensity metrics of the Metals segment for the period reached 117.4 GJ per ton of aluminium, which is 7% less than since 2021. Energy intensity of the Power segment for the period was 2.658 GJ/MWh, increased by 25% compared to 2021 due to reduction of HPP generation and increase in CHP generation.

GRI 302-3

Energy intensity[1]**,** GJ/t of aluminium

METALS SEGMENT

GRI 302-3

Energy intensity, GJ/MWh

POWER SEGMENT

For more information on energy consumption, see the Additional ESG Data section on page 332.

1 The 2021–2022 indicators differ from those given in the 2022 Sustainability Report due to changes in the calculation methodology. The energy data used in the calculation includes purchased electricity and heating.

2 Hereinafter energy data does not include Onda HPP. Data for 2021-2022 was changed due to clarification of coefficients.

2024

PLANS FOR 2024 AND BEYOND

1. Complete the assessment of the climate change impact on the Baikal regions and the operation of the Angara cascade HPPs. Develop proposals for adaptation measures
2. Continue the transition of aluminium smelters to the pre-baked anode technology
3. Introduce and incorporate energy efficiency measures
4. Increase low-carbon energy generation
5. Develop hydrogen energy support projects
6. Implement offsetting projects (forest aerial protection, peatlands watering)
7. Identify and initiate new projects to offset GHG emissions

Climate and environment

Environmental protection

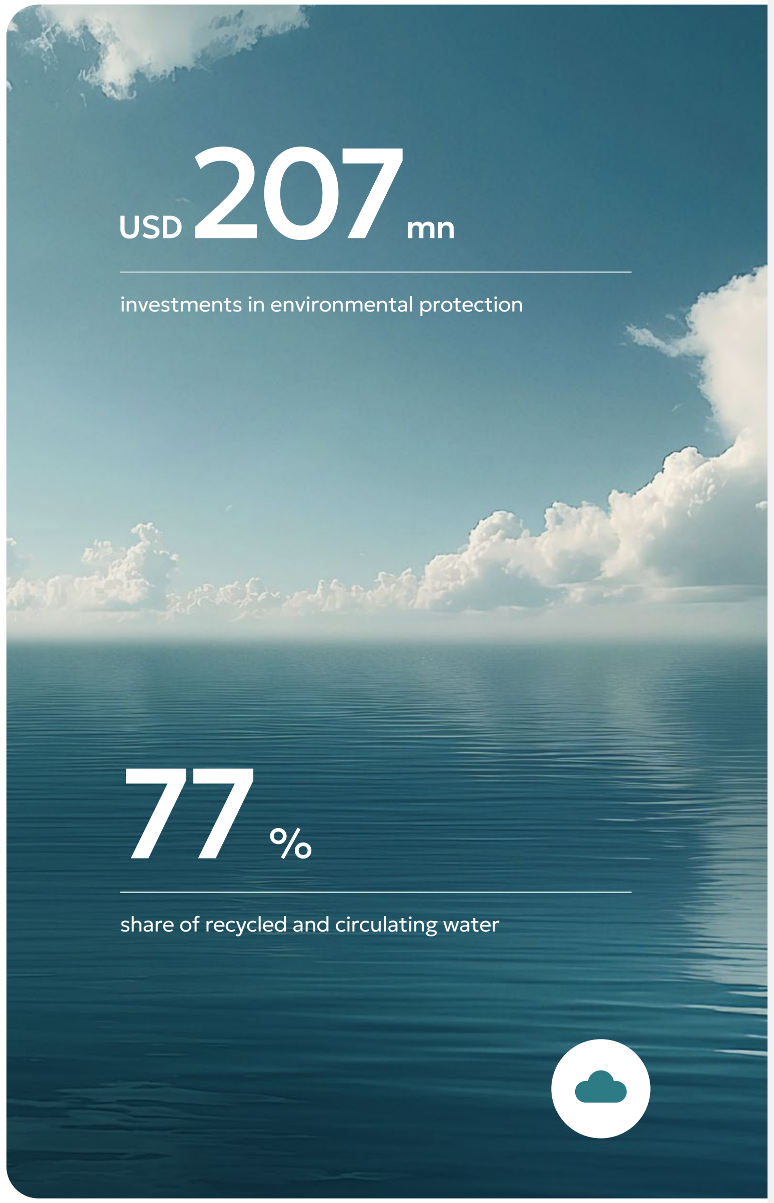
6 CLEAN WATER AND SANITATION
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS

INTERNAL REGULATIONS

- Environmental Policy
- Biodiversity Policy
- Regulations on the Health, Safety, and Environment Committee
- Supplier Standards
- Corporate Code of Ethics

MATERIAL TOPICS

- Air quality
- Water and wastewater management
- Safe waste management
- Biodiversity
- Environmental compliance and the best available technologies (BAT)



68 %

of waste was recycled

350.5 hectares

were reclaimed

Governance

GRI 3-3

En+ Group acknowledges its environmental responsibility and is committed to preventing and mitigating the impact of its operations on the atmosphere, water bodies, land resources, and biodiversity. The Company adheres strictly to legal regulations, engages in R&D activities, actively participates in the Clean Air federal project, and continuously upgrades its equipment. Throughout these processes, En+ Group engages with stakeholders and takes into account their environmental protection priorities.

GRI 2-25

In a bid to minimise its environmental impact, the Company deploys best available technologies at its operating facilities. BAT technologies are assessed for conformity during the acquisition of integrated environmental permits for facilities.

All En+ Group structural units, from the boardroom to the function room, are involved in delivering on the environmental agenda. Furthermore, environmental performance metrics are integrated into KPIs set for managers overseeing the implementation of investment projects and environmental protection initiatives.

Environmental departments and their functions

Board of Directors	HSE Committee	Sustainable development Directorate	Environmental protection teams at enterprises
• Oversees the implementation of the Company's environmental protection policies • Oversees progress against environmental protection targets	• Manages risks, including environmental risks • Feeds into the policy development process • Makes recommendations to the Board of Directors • Oversees the Company's compliance with legal requirements and standards governing environmental protection • Evaluates the Group's environmental protection performance (The Regulations on the HSE Committee contain a detailed description of its roles)	• Identifies and evaluates environmental risks • Develops environmental risk management measures • Exercises control over the implementation of measures to eliminate or minimise environmental risks	• Provide environmental stewardship at the segment level

For more details on the roles of the Environment Department, see the Additional ESG Data section on page 331.

In the reporting year, the following topics were raised at the HSE Committee meetings:

- The development status of the environmental and climate strategy
- Environmental risk management
- Urgent information regarding the biodiversity strategy
- Progress against the KPIs set for environmental protection and climate

Climate and environment

The main corporate documents regulating environmental protection issues at En+ Group

Environmental Policy	En+ Group's main document governing environmental protection. Describes the Company's principles regarding environmental stewardship, the environmental agenda key focus areas, and the respective obligations of the CEO
Supplier Standards	Contain requirements obliging suppliers to comply with environmental laws, deploy environmental tracking systems, and assess environmental risks
Corporate Code of Ethics	Establishes the Company's commitments to preventing incidents that cause harm to environmental media, complying with environmental requirements, and running educational environmental events for employees.

Agreements that the Company enters into with contractors and suppliers stipulate compliance with En+ Group's Environmental Policy, encompassing obligations for both parties.

The Company's environmental management system (EMS) is certified to ISO 14001:2015 and the Russian GOST R ISO 14001-2016 Environmental management systems. En+ Group constantly expands its EMS, notably extending its coverage to JSC Irkutsk Grid Company in 2023 with the development of well-documented procedures, including for managing environmental aspects.

Throughout its operations, En+ Group is guided by the requirements of Russian law, including the Federal Law On Environmental Protection N°7.

Strategy

GRI 3-3

The operating activities of En+ Group impact air quality, with emissions primarily originating from aluminium smelters in the Metals segment and CHPs in the Power segment.

In order to mitigate the emissions of pollutants, En+ Group ensures compliance with the Federal Law On Protection of Atmospheric Air, and the Order of the Ministry of Natural Resources and Environment On Approval of Requirements for Measures to Reduce Emissions of Pollutants into the Atmospheric Air in National Emergencies. The Company strives to reduce pollutant emissions. Environmental operational control (EOC) at the Company encompasses instrumental measurements of pollutant concentrations at all operations to ensure compliance with established limits and standards.

En+ Group's facilities situated within city limits in Krasnoyarsk, Bratsk, and Novokuznetsk actively participate in the Clean Air federal project, targeting a 20% reduction in emissions across 12 cities by 2026. Efforts to reduce emissions include modernising aluminium smelters at the Metals segment and installing dust collection equipment at the Power segment, alongside the Company's ongoing initiatives to boost energy production efficiency.

Throughout the reporting period, Company facilities implemented measures to minimise air pollution, embedding actions within the Clean Air project:

- APPLICATION OF BEST AVAILABLE TECHNOLOGIES
- INSTALLATION AND UPGRADE OF GAS CLEANING UNITS AND ELECTROSTATIC PRECIPITATORS
- R&D ACTIVITIES
- FITTING OUT FIXED SOURCES WITH AUTOMATIC EMISSION CONTROL AND ACCOUNTING SYSTEMS

MODERNISATION OF ALUMINIUM SMELTERS
The Company is consistent in its efforts to action the conversion to Eco-Soderberg and pre-baked anodes

MODERNISATION OF GAS PURIFICATION SYSTEMS AT COAL-FIRED CHPS

GRI 3-3, 303-1, 303-2

The Company's operational demands necessitate significant water resources. Consequently, the Company continually improves water management efficiency by boosting the share of reused and recyclable water and consistently enhancing wastewater treatment processes. Regular assessments monitor the Company's impact on water resources, ensuring continuous monitoring of industrial wastewater quality. These measures are taken, inter alia, as part of environmental operational control efforts.

When doing so, the Company is guided by legislative, sanitary, and epidemiological requirements applicable to the discharge and quality of wastewater, as well as by the following documents:

- Decision to grant the right to use water bodies
- Permission to discharge pollutants and microorganisms into water bodies
- Integrated environmental permit
- Environmental impact statement
- Standards for permissible discharges of pollutants into water bodies

Climate and environment

SASB IF-EU-140a.3

The Power segment, while managing the water use of HPP reservoirs, adheres to the requirements stipulated by the Federal Water Resources Agency of the Russian Federation. Accredited laboratory specialists conduct sampling of wastewater and reservoir water to monitor the concentrations of priority pollutants such as petroleum products and suspended particles. In order to prevent pollutants from entering water bodies, Company specialists inspect, on a regular basis, the integrity of power generating and auxiliary equipment.

In 2023, the Metals segment published its first voluntary Water Resources Management Report.

GRI 3-3, 306-1, 306-2 SASB EM-MM-150a.1

The operational activities of En+ Group's Power segment produce waste materials such as overburden rock, ash, and slag, while the Metals segment generates overburden rock, red and nepheline slime, and spent carbon lining. Processes associated with waste generation include coal combustion at Power segment CHPs and the refining of bauxite and nepheline ores at the Metals segment. The primary environmental impact of waste arises from the Company's disposal practices at designated facilities. To mitigate this impact, the Company enhances the environmental safety of its waste storage and disposal facilities, conducts regular monitoring of disposal site safety, implements separate waste collection initiatives at production sites and offices, and facilitates waste transfer for recycling and utilisation to enable further consumer use.

GRI 3-3 SASB EM-MM-150a.10 SASB EM-MM-150a.9

Waste management operations at the Power segment are guided by the internal Waste Management Standard, governing the collection, treatment, recycling, reuse, disposal, and landfilling of waste products. Compliance with this standard at Company facilities was audited in 2023, with the Power segment devising a long-term ash and slag waste management programme in the same year. The Power segment places a particular focus on ash and slag utilisation. Potential applications for waste products include road construction, waste site remediation, mine workings and quarry applications, as well as land infilling, grading, and levelling. Taking into account global trends in the disposal of ash and slag, specialists are also exploring avenues for selling ash and slag to construction material manufacturers and extracting iron-containing concentrate from these materials. Ash dry-stacking initiatives are implemented as scheduled, as well as initiatives focused on bolstering the residual capacity of existing coal ash disposal sites.

GRI 3-3 SASB EM-MM-150a.1

The Metals segment aligns its activities with its own industrial Waste Management Strategy to 2030, guided by the Zero Waste to Landfill principle. In 2023, inventories of generated and stored waste stock were tallied across the Group's enterprises, safe waste management programmes for 2024–2029 were approved, and relevant performance targets were set.

SASB EM-MM-540a.1, EM-MM-540a.2, EM-MM-540a.3

The Metals segment is committed to preventing emergencies (leaks and spills) at hydraulic structures (HS) where sludge is stored. Emergency containment and management plans are in place for all hydraulic structures, describing the most likely emergency scenarios, providing action procedures in emergencies, and estimating the resources required for accident containment. In 2023, comprehensive inspections were undertaken for all hydraulic structures, finding the facilities in good operating condition. The segment ensured structures were ready for the flood season and conducted relevant trainings and briefings for relevant responsible persons involved. In 2024, the segment is planning to approve the Safe Sludge Dumps Management Policy it previously developed.

Sludge reuse

In 2023, the Company put 1,860,000 tonnes of sludge back to economic use. The waste was used by the segment's enterprises and sold to other companies. The industries in which generated sludge can be used include ferrous metallurgy, production of building materials, and road construction.

Energized for action

Green Office

Since 2022, En+ Group has been progressively introducing the Green Office initiative to establish a comfortable and healthy work environment, thus minimising environmental impact and promoting a prudent use of natural resources. A pivotal element of the programme is to ensure efficient separate waste collection and optimal utilisation practices. Company employees attend training sessions to better understand the importance of sorting waste and proper handling procedures. Separate waste collection bins (for glass, metal, plastic, and mixed waste) have been installed in offices at various locations, such as Moscow and Irkutsk, Irkutsk, Bratsk, Krasnoyarsk and Ust-Ilimsk HPPs, and multiple CHPs. In 2023, the initiative expanded to include battery and clothes collection, with gathered waste being subsequently transported to waste processing facilities for further treatment.

GRI 3-3

An important area of **En+ Group's efforts** to minimise its environmental impact is remediation, as prescribed by internal subsoil use documents. Land rehabilitation also plays a key role in preserving biodiversity across our footprint.

SASB EM-MM-160a.2

The Company prevents acid waste generation across its facilities to avoid changes in soil chemical compositions and adverse impact on plant life. Due to the absence of sulphide-rich rocks in the Metals segment's bauxite and nepheline deposits, acidic effluents do not arise from these sources.

350.5 ha

recultivated in 2023

LAND RECLAMATION ENCOMPASSES SEVERAL STAGES

- Completion of open-pit mining and decommissioning of waste disposal sites
- Development and approval of remediation projects
- Restoration of disturbed terrain and soil upon completion of open-pit mining, waste disposal site remediation, and reclamation of disturbed and contaminated lands
- Monitoring vegetation cover of reclaimed land

Land rehabilitation and reclamation at our Guinea operation

GRI 304-3, MM1

At the Metals segment, disturbed land reclamation efforts launched at COBAD's mining site in 2021. In the reporting period, 26 hectares were rehabilitated. Specialists restored the ground surface by reinserting overburden into excavated bauxite mines. Subsequently, the soil cover was reinstated, vegetation was planted, and the site's status was observed for a duration of five years. Should any plants die, replacements will be planted. Furthermore, a two-year ban on livestock grazing and equipment passage is in place at the site.

Green Wave

GRI 304-3

As a mining business, En+ Group places significant emphasis on reforestation efforts. In 2023, the Metals segment continued its forest restoration efforts, with the recurring Green Wave campaign being a highlight for the Company. In 2023, volunteers from Yerevan and Boksitogorsk, as well as En+ Group employees based in Divnogorsk and Irkutsk, joined this campaign for the first time. Throughout the reporting period, a total of 1,240 volunteers planted over 2,200 seedlings across 18 cities as part of the initiative. Concurrently, a project aimed at safeguarding forests from fires using aerial equipment made good progress.

Climate and environment

En+ Group consistently organises training sessions for its employees and runs specialised programmes for environmental safety specialists within the Company.

Ecological Dictation

The annual national Ecological Dictation was held across En+ Group entities for the fifth year. In 2023, the event attracted over 250 Company employees. They answered questions related to geology, biology, energy, and sustainable development. The event serves to promote environmental awareness and foster interest in nature conservation efforts.

Lectures on eco-conscious behaviours for HPP employees

During the reporting year, a lecture on eco-conscious behaviours was delivered to employees from Irkutsk, Bratska, and Ust-Ilimsk HPPs, focusing on promoting responsible consumption practices, guidelines for sorting waste, Green Office standards, and sustainable procurement methods. Participants were also taught the significance of conserving energy and water.

Trainings and workshops for ecologists

In 2023, a business game workshop convened over 30 ecologists from enterprises categorised as having a Class I significant environmental impact. The event dived into the processes surrounding the acquisition of integrated environmental permits and the intricacies of developing programmes to improve environmental performance. In March 2023, employees of Irkutsk, Bratsk, and Ust-Ilimsk HPPs joined forces with staff from the management office to participate in training sessions focusing on biodiversity conservation practices at a corporate level.

Risk management

GRI 3-3

En+ Group conducts regular environmental risk assessments for each operational site. In 2023, the risk assessment conducted revealed no new risks, and previously identified risks did not materialise.

The Power segment developed its own environmental risk management plan and is systematically implementing relevant measures. The plan outlines specific measures to manage identified risks and lays out a timeline for achieving the set targets related to risk mitigation.

Strategic Plan for Environmental Risk Management at the Power segment GRI 3-3

Event	Implementation period	Progress made in 2023
Environmental risk assessment	2021–2032	The remedial action plan is being updated. As of 2023, no new environmental risks were identified, and the assessment continues
Continuous improvement of the environmental management system	2022–2026	As of 2023, all Company HPPs and CHPs have been certified
Minimisation of sulphur emissions into the atmosphere	2023–2032	Sulphur emissions decreased by 1% compared with 2020
Active participation in environmental stewardship initiatives	2022–2032	The Company continues to participate in the Baikal without Plastic initiative
Increased involvement of management and employees in environmental protection and climate change mitigation activities and promotion of environmental awareness at work	2022–2032	Educational events were held for Company employees, including environmental protection specialists
Increased involvement of suppliers and consumers in environmental protection and climate change mitigation activities	2022–2032	En+ Group monitors compliance with waste disposal requirements by its suppliers and contractors
Development and implementation of a long-term programme to reduce discharge of untreated wastewater and minimise non-production water losses	2021–2031	Design documentation for local treatment facilities at Bratsk and Ust-Ilimsk HPPs is being finalised
Implementation of projects focused on achieving BAT targets at Vostsibugol's operational sites	2021–2031	BAT targets will be achieved in 2024 upon receipt of the integrated environmental permit
Improvement of wastewater treatment processes at HPPs		Construction and installation activities commenced at Irkutsk HPP (wastewater treatment facilities design documentation was completed last year)
Implementation of measures to increase the share of recycled and reused waste and ensure its safe disposal, accumulation, and utilisation		In 2023, the Roadmap for Large-Scale Use of Ash and Slag Waste was developed. 63% of waste was recycled or reused in 2023

GRI 3-3, 303-1, 303-2

According to the Aqueduct Water Risk Atlas compiled by the World Resources Institute (WRI), some En+ Group enterprises, including RUSAL Armenal (Yerevan, Armenia), operate and withdraw water in regions with high water stress risk. To minimise the impact on water resources within these high-risk areas, the Company deploys recycled water supply systems.

In 2023, RUSAL Armenal continued to roll out this system, addressing and rectifying any shortcomings. Required equipment was supplied and installed, with the scheduled completion of this effort set for 2024.

Climate and environment

Metrics and targets

GRI 2-27 SASB EM-MM-140a.2 IF-EU-140a.2

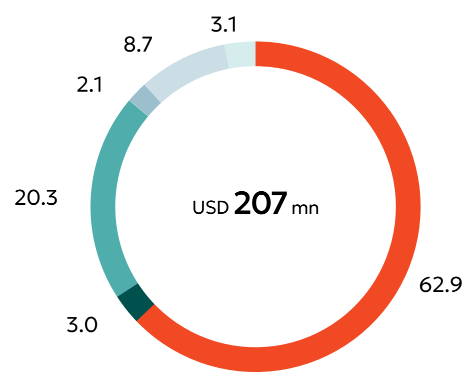
Throughout the reporting period, no incidents occurred that would have resulted in significant[1] environmental harm. Following supervisory inspections, any warnings and remediation orders received were duly acknowledged, and corrective action plans were formulated.

GRI 3-3

RUB 17.6 bn (USD 207 mn) was earmarked for environmental initiatives for the period. Most of the funds were allocated to atmospheric air emission protection. Overall, the cost ratio remained consistent with the previous year. Fees for negative environmental impact totalled RUB 1,065.5 mn.

Total environmental protection costs[2], %

- Air protection
- Land rehabilitation
- Waste management
- Environmental equipment maintenance
- Water protection
- Other expenditures



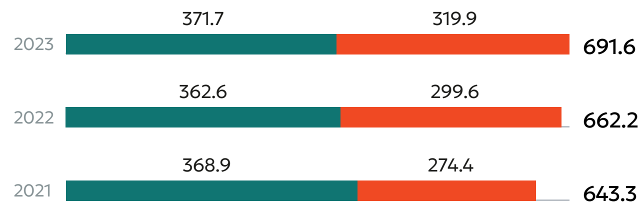
GRI 305-7 SASB EM-MM-120a.1 IF-EU-120a.1

In 2023, pollutant emissions totalled 691.6 kt which is 4.4% higher than in 2022. This dynamics was caused by a decrease in output from HPPs by 0.3% and an increase in output from CHPs by 10.1%, which was due to an increase in electricity consumption in the Irkutsk energy system by 4.0% in 2023. At the Metals segment, emissions were mainly caused by carbon monoxide (66.7%), and by sulphur oxides (59%) at the Power segment.

Notes: Data for the Friguia Bauxite and Alumina Complex, which may be relevant for consolidated indicators, are excluded due to the lack of measurement systems and relevant requirements in national legislation.

Total air emissions (excluding GHG emissions), kt

- Power segment
- Metals segment



Atmospheric emission intensity indicators

Pollutant	Metals segment. kt/kt			Power segment. kt/TWh		
	2021	2022	2023	2021	2022	2023
Nitric oxides (NOx)	0.006	0.052	0.006	0.3701	0.4476	0.4310
Sulphur oxides (SOx)	0.0120	0.012	0.010	1.2992	1.4809	1.6065
Particulate matter	0.01	0.01	0.01	0.4720	0.5787	0.64
Volatile organic compounds (VOCs)	0.0003	0.0002	0.003	0.0032	0.0025	0.0032

Notes: To track the results of measures to reduce the negative impact on environmental components, the Company calculates emission intensity indicators tied to the volume of aluminium produced (for the Metals segment) and the volume of thermal and electrical energy produced (for the Power segment). The denominator values are indicated in the appendices and are common to all specific environmental indicators of the segments in the "Climate and Environmental protection" section.

THE COMPANY SETS TARGETS FOR ENSURING LEGALLY COMPLIANT AIR QUALITY IN ITS REGIONS OF OPERATION

GRI 3-3

GOALS	STATUS	PROGRESS made in 2023
By 2027: • Reduce above-limit air emissions by 100%.	• On track	• Modernisation of aluminium plants, installation of new gas treatment facilities, use of air pollution monitoring systems continue.
By 2035: • Provide a significant reduction in emissions of pollutants per tonne of aluminium, including total fluorides by 25%.	• On track	
• Retrofit ash collectors at Novo-Irkutsk CHP, Ust-Ilimsk CHP, and CHP-6	• On track	• Installation operations for the electrostatic precipitators of boiler units Nos. 3 and 5 at CHP-6 are complete, as is the development of design documentation and delivery of core equipment for boiler unit No. 7 at CHP-6

THE COMPANY'S ENTERPRISES ARE MAKING PROGRESS WITH EFFORTS TO ACHIEVE THE TARGETS TO MINIMISE NEGATIVE IMPACT ON WATER RESOURCES

GRI 3-3

GOALS	STATUS	PROGRESS made in 2023
• Push the share of recirculating water supply in the production of alumina, aluminium, and finished products to 100% by 2027	• On track	• The share of recirculating water in the total amount of water used for production was 91.9% in 2023
• Eliminate the discharge of untreated wastewater generated by the Power segment by 2030	• On track	• Projects related to the modernisation and construction of new treatment facilities for HPP generation, coal mining, and municipal wastewater treatment sites are at various stages of implementation. Ongoing efforts are also directed towards mitigating the risk of untreated wastewater discharges from heat generation facilities. • In 2024, the Company plans to conduct an inventory of other facilities and determine waste treatment plans
• Streamline technological systems to minimise non-production water losses at the Power segment by 2030	• On track	• Analysis is underway to explore avenues for optimising fresh water usage and minimising discharges

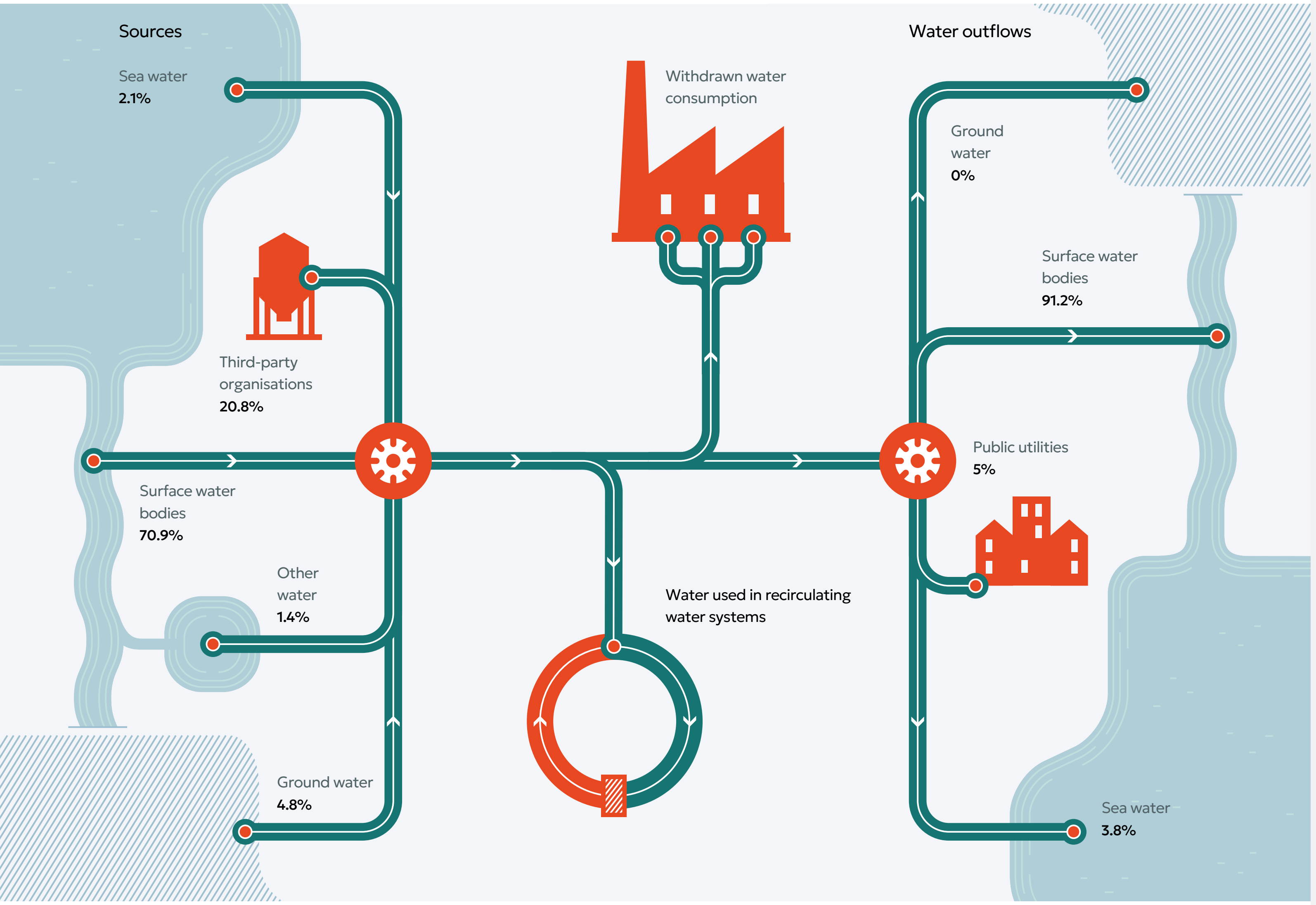
1 Impacts resulting in fines exceeding 1 USD mn are regarded as significant.
2 Some subtotals may not add up to totals due to rounding. Calculated based on the 2023 average RUB/USD exchange rate of RUB 85.25 per dollar.

Climate and environment

GRI 303-3, 303-4, 303-5 SASB EM-MM-140a.1 IF-EU-140a.1

The water usage procedures at En+ Group encompass water withdrawal, consumption, and discharge processes.

Water withdrawal[1]	Water consumption	Water discharge[2]
1,035 million m³	**710.5** million m³	**587.5** million m³



Water-related intensity metrics

Metric	Metals segment, mn m³/kt			Power segment, mn m³/TWh		
	2021	2022	2023	2021	2022	2023
Total water withdrawal	0.047	0.045	0.042	5.88	7.05	7.45
Total water discharge	0.013	0.012	0.012	3.60	4.37	4.66

1 En+ Group data for 2023.
2 Water used in operating processes.

GRI 303-3 SASB EM-MM-140a.1 IF-EU-140a.1

En+ Group withdraws water from surface, underground, and sea water bodies; third-party organisations also supply water to the Company. In 2023, water was withdrawn from the surface. In the reporting period, Company enterprises withdrew 1,035.3 of water, which is 4% more than in 2022. Water withdrawal increased due to an increase in CHP generation, due to an increase in energy consumption in the Irkutsk region by 4%. The Power segment, due to the specifics of its operating processes, accounts for the majority of water withdrawal (84.2%). Fresh water withdrawal amounted to 1,006.3 million m³, which is 4.4% more than in 2022.

The share of water withdrawal in the regions with water stress was 1% for the Metals segment. The metrics remained flat on the previous year.

GRI 303-5 SASB EM-MM-140a.1 IF-EU-140a.1

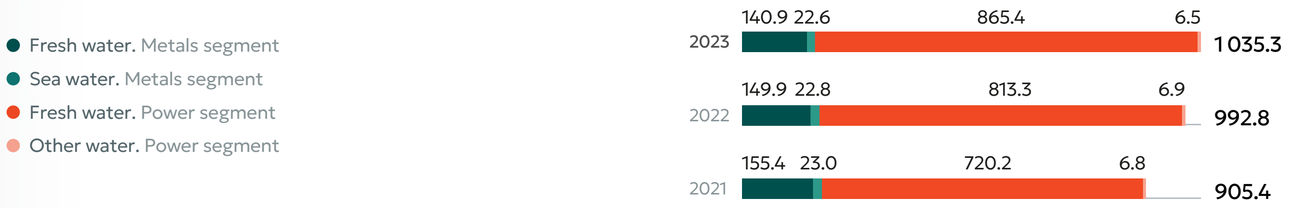
During the reporting period, the Company's facilities consumed[2] 710.5 million m³ of water, up by 6% from the previous year. The majority of this water (87%) was consumed by the Power segment. 77% was reused, reusable, or recycled water.

GRI 303-4

In the reporting period, 587.5 million m³ of water was discharged, up by 5% from the previous year. The greatest amount of water was discharged by the Power segment (93%). The fresh water discharge rate was up by 5% year-on-year to 564.9 million m³ in 2023. 97% of fresh water was discharged by the Power segment.

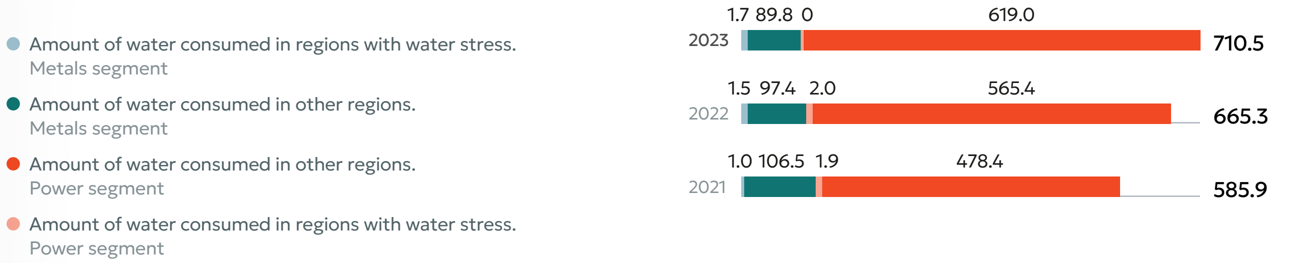
GRI 303-3 SASB EM-MM-140a.1 IF-EU-140a.1

Total water withdrawal, million m³



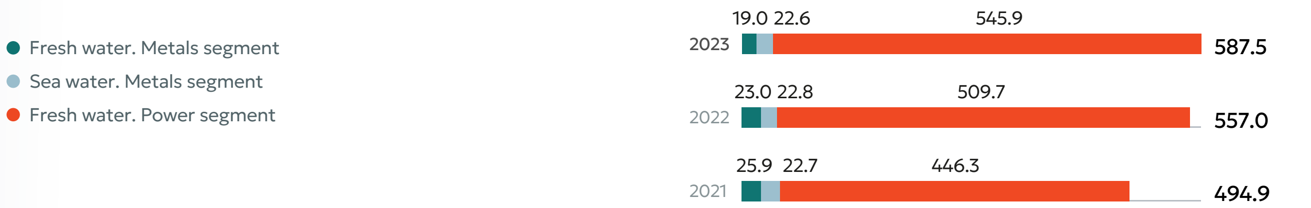
GRI 303-5 SASB EM-MM-140a.1 IF-EU-140a.1

Total consumption of water[3], million m³



GRI 303-4

Total water discharge[4], million m³



3 Industrial water.
4 Data for the Metals segment for 2021 were recalculated and include only industrial water.

Climate and environment

GRI 3-3

EN+ GROUP CONSISTENTLY MEETS ITS WASTE MANAGEMENT TARGETS

GOALS	STATUS	PROGRESS made in 2023
• Ensure a progressive reduction of non-recyclable and non-reusable waste generation intensity by at least 10% per tonne of metal, and safe disposal of 100% of such waste by 2030 in the Metals segment	• On track	• To ensure the safety of waste disposal, a comprehensive inspection of hydraulic structures, sludge collectors and ash dumps was conducted
• Put back to economic use or utilise at least 15% of alumina production waste and at least 95% of aluminium and silicon production waste by 2035	• On track	• The Metals segment reused 1,516 kt of red and nepheline slime and transferred another 344 kt to external consumers. Advancements are being made in developing technology for producing scandium oxide from red slime
• Implement large-scale projects related to the use of ash and slag waste under BEC LLC's plan	• On track	• The Power segment managed to reuse 63% of ash and slag waste

GRI 306-3 SASB EM-MM-150a.4, EM-MM-150a.5, EM-MM-150a.7

In 2023, En+ Group facilities generated a total of 225 mt of waste, which is 12.5% more than in the previous year. This was due to increase in CHP generation in Power segment. The vast majority of said waste was non-hazardous waste.

GRI 306-4 SASB EM-MM-150a.8

In 2023, En+ Group utilised[1] 152.7 mt of waste (68% of the total amount of waste), which is more than in the previous year. The majority of such waste was utilised by the Power segment (96%).

–5 %

decrease in the amount of waste from the Metals segment
compared to 2022

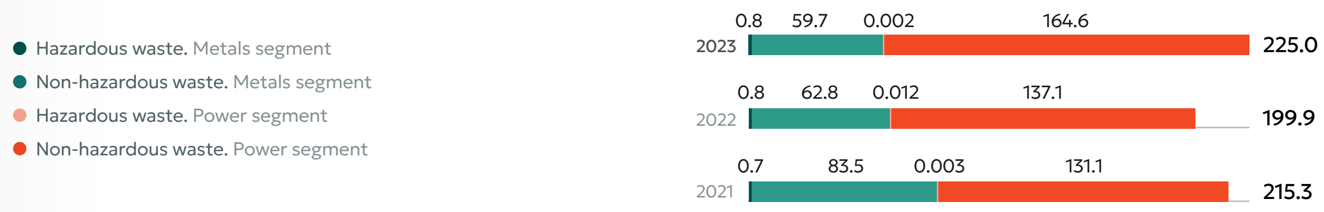
68 %

total share of all waste recycled by En+

1 According to the requirements of Russian legislation, waste utilisation involves the recycling and reuse of waste products

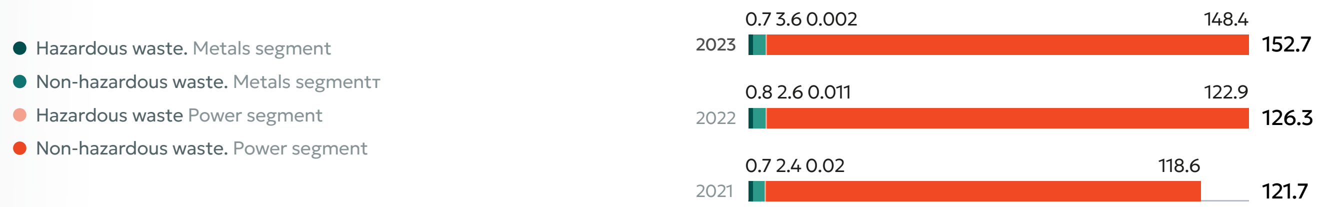
GRI 306-3

Total volume of waste broken down by hazardous and non-hazardous waste, mt



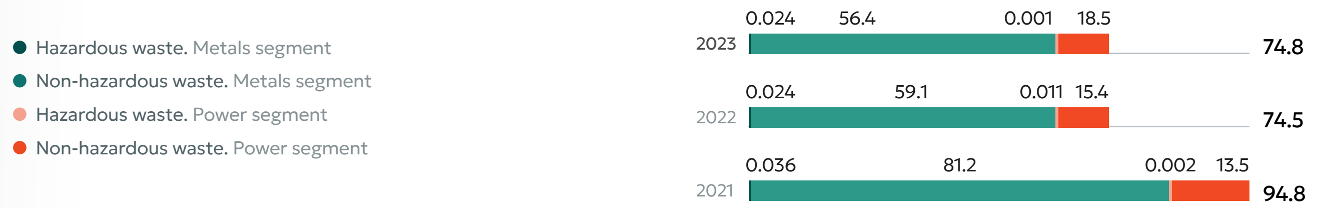
GRI 306-4, 306-5 SASB EM-MM-150a.8

Total volume of reused, reusable, and recycled waste broken down by hazardous and non-hazardous waste, mt



GRI 306-5

Total volume of disposed waste broken down by hazardous and non-hazardous waste, mt



Waste intensity metrics

Metric	Metals segment, kt/kt			Power segment, kt/TWh		
	2021	2022	2023	2021	2022	2023
Total waste generation intensity	0.022	0.016	0.016	1.06	1.18	1.17

GRI MM3 SASB IF-EU-150a.1

In the reporting period, En+ Group generated 12.1 mt of red and nepheline slimes (1.1% was recycled) as well as 148.6 of ash and slag, which fall under the non-hazardous waste category. 63% of all ash and slag waste generated by En+ Group facilities was recycled.

Climate and environment

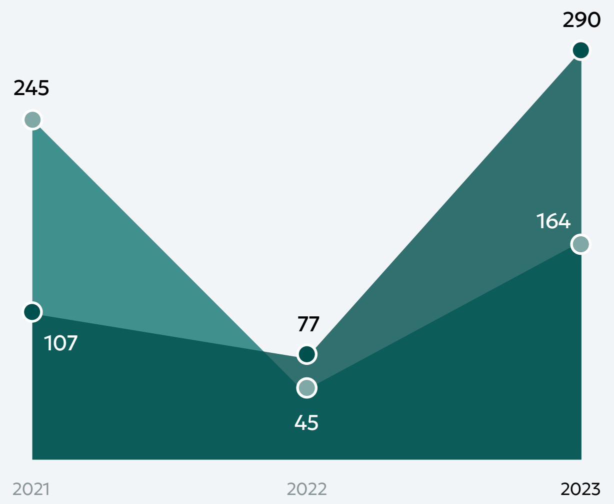
GRI 304-3 GRI MM1

As of the beginning of the reporting period, the area of disturbed but yet not reclaimed land at the Company amounted to 23,223 ha; as of the end of the period it was 23,390 ha.
In 2023, 390 ha of land was disturbed. The Company managed to rehabilitate 350 ha, which is 273 ha more than in the previous year.

Total area of land disturbed and reclaimed, hectares

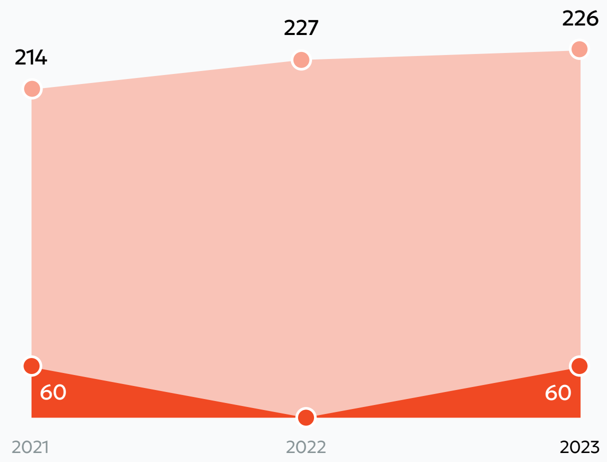
METALS SEGMENT

- Total area of disturbed land
- Total area of reclaimed land



POWER SEGMENT

- Total area of disturbed land
- Total area of reclaimed land



For more details on the Group's land rehabilitation efforts, see the Additional ESG Data section on page 348.

For more details on quantitative environmental protection metrics, see the Additional ESG Data section on page 324.

GRI 304-3

291 hectares

of forest were restored in 2023, as a result of reforestation efforts

PLANS FOR 2024 AND BEYOND

1. Introduce and deploy an automated data collection system for environmental protection
2. Complete the water recycling system deployment at RUSAL Armenal
3. Complete a scientific study regarding the possible impact of air holes in the ice on air quality in Krasnoyarsk and publish key findings

2024

Climate and environment

Biodiversity conservation

Governance

GRI 3-3, 304-1, 304-2 SASB EM-MM-160a.1

En+ Group does not operate in protected areas or areas of high biodiversity value.

The Company has a clear division of responsibilities for managing biodiversity conservation and ecosystem services:

Board of Directors

- Oversees issues related to the implementation of the Company's Biodiversity Policy
- Oversees progress against biodiversity-related targets

HSE Committee

- Manages biodiversity conservation-related risks
- Contributes to the development of policies
- Makes recommendations to the Board of Directors
- Oversees the Company's compliance with legal requirements and standards governing biodiversity conservation
- Evaluates the Company biodiversity performance

Sustainability Projects Department

- Develops a strategy and evaluates compliance with the Biodiversity Policy
- Initiates biodiversity conservation programmes, oversees and monitors their implementation

For more details on the roles of the Sustainability Projects Department, see the Additional ESG Data section on page 332.

In its biodiversity conservation efforts, the Company is guided by the following internal and external documents:

Russian Federal Law No. 16-FZ On the Ratification of the Convention on Biological Diversity, dated 17 February 1995	International Finance Corporation Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
Hydropower Sustainability Standard	Environmental Policy
Biodiversity Policy	Corporate Biodiversity Conservation Programme

SASB EM-MM-160a.1

En+ Group's Biodiversity Policy incorporates the Company's fundamental operating principles, namely a commitment to apply a modern and effective approach to the conservation of biological diversity, to promote biodiversity conservation across its footprint, and to foster awareness among partners regarding this crucial area.

GRI 2-28

En+ Group is a member of the Working Group on Entrepreneurship and Biodiversity Conservation Issues under the Ministry of Natural Resources and Environment of the Russian Federation and contributes to the ASI Biodiversity and Ecosystem Services Working Group in collaboration with the International Union for Conservation of Nature and Natural Resources (IUCN), Fauna & Flora International (FFI), and the Chimbo Foundation.

Baikal Plastic Free Alliance

One of En+ Group's standout initiatives is the establishment of the in 2022. The Alliance comprises over 25 companies, including educational institutions, government bodies, and non-profits.

The goal of this Alliance is to change the attitude of society towards the problem of pollution of Lake Baikal. The Alliance advocates for the immediate development of a range of measures to curb microplastic pollution in the lake. Its members support legislation banning disposable plastic utensils and bags in the Baikal natural territory. In addition, the Alliance assists the regional government in developing infrastructure for the collection, sorting and recycling of plastic waste. An equally urgent task is to increase the environmental literacy of the population. The Alliance organises events, including educational programmes, to engage both the business community and the public, considering it as one of its core pillars.

SELECTED EVENTS FOR THE PERIOD INCLUDE:

The Ballet on Baikal. Buryatia performance

The event was arranged in partnership with the Buryat State Academic Opera and Ballet Theatre. The dancers performed excerpts from famous masterpieces on the shores of Lake Baikal. The event was aimed at spotlighting the conservation issues around the lake.

The Modern Trends and Challenges in the Tourism Sector of the Baikal Area

Participants discussed green initiatives implemented in the tourism industry around the world, pointing out that unorganised tourism is a critical contributor to pollution in the area. They emphasised the need to encourage conscious behaviour among tourists. The agenda also included the issue of banning single-use plastic tableware and bags in the environmental areas of the Baikal natural territory. The conference became a platform for developing and discussing practical solutions for preserving the natural ecosystems, as well as attracting tourists.

A scientific and educational conference at the Chemistry of the Future science school

It was organised in partnership with Irkutsk National Research Technical University (IRNTU). The target audience of the project included students, postgraduate students, and young research chemists. The conference discussed plastic recycling, creating biodegradable plastic materials, and promoting alternative packaging solutions.

Eco-lessons at children's camps and schools

The Alliance planned and delivered eco-lessons at 21 children's camps in the Irkutsk, Angarsk, and Olkhonsky Districts, as well as in educational institutions of the Irkutsk region. At the events, children learned about the fauna of Lake Baikal and the problem of environmental pollution of the reservoir, in particular, plastic.

Meetings and round tables with locals from Baikal protected areas

Meetings and round tables were held with the main topic being the build-up of plastic in various parts of the Baikal ecosystem. Participants delivered presentations highlighting the shortcomings of legislative regulation regarding environmental monitoring of the lake's nearby areas.

Climate and environment

Strategy

GRI 3-3, MM2

One of the highlights of the reporting period was the initiation of a Corporate Biodiversity Conservation Programme for Irkutsk, Bratsk, and Ust-Ilimsk HPPs by the Power segment. During the project's development phase, En+ Group engaged with experts and stakeholders to discuss biodiversity conservation activities, their scopes, and associated timelines.

A holistic, three-year Biodiversity Conservation Action Plan for the Angara HPPs was also devised. This plan contains in-depth information concerning scheduled tasks, resource allocations, and specific indicator species requiring observation and support. These species encompass a diverse array of animals and plants, including ospreys, grey ducks, harlequin ducks, steppes rat snake, whitefish, tugun, and others.

En+ Group intends to run field studies within the areas of potential impact of HPPs when the programme enters its active phase. Given their vast geographical scope, these studies are slated to take place between 2024 and 2026.

In 2022, the Company developed instructions for handling wild animals. All employees are familiar with the instructions, which are posted on information stands on the territory of En+ enterprises. Also in 2022, the Company installed 1.5 thousand bird protection devices on power line supports in the ecological zones of the Baikal natural territory.

Biodiversity impact of Irkutsk, Bratsk, and Ust-Ilimsk HPPs

Map of potential impact areas

Monitoring in Baikal protected areas

GRI 304-1, 304-2

In 2023, in collaboration with the Strana Zapovednaya (Protected Land) Foundation, the Company initiated a project aimed at monitoring the ecological status of nature reserves and national parks bordering the lake. As part of this endeavour, a single holistic programme was crafted to monitor shoreline ecosystems in the protected areas of Lake Baikal. This initiative enabled a uniform approach to evaluating the state of ecosystems, broke down the silos between protected areas, and helped orchestrate strategies to mitigate human impact on the areas while safeguarding environmental media.

As part of monitoring efforts, the following measures are proposed:

- biodiversity assessment of areas
- monitoring the impact of water level fluctuations on shoreline ecosystems
- assessment of pollutant concentrations in pine needles and snow
- establishment of the permissible levels of human-tourism impact on ecosystems.

These measures will be applied to the following protected areas of federal significance: the Federal State Budgetary Institution Zapovednoye Pribaikalye (Irkutsk Region), the Federal State Budgetary Institution Zapovednoye Podlemorye (Republic of Buryatia), and the Federal State Budgetary Institution Baikal State Nature Biosphere Reserve (Republic of Buryatia).

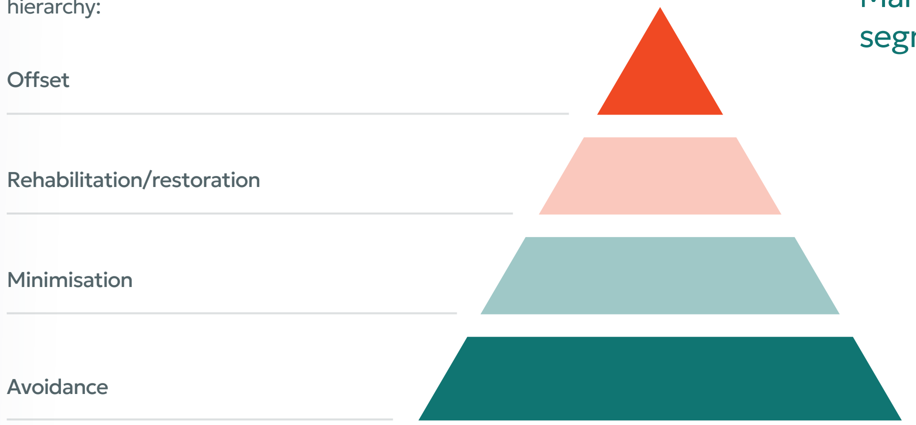
Scientific monitoring of Lake Baikal

In 2023, a fifth expedition took place to monitor the condition of the coastal waters of Lake Baikal and its drainage basin. As in previous years, the expedition was conducted with backing from the Severtsov Institute of Ecology and Evolution, Russian Academy of Sciences, and was staffed by scientists from Lomonosov Moscow State University and the Moscow Institute of Physics and Technology (MIPT). The experts placed special attention on waterborne microplastics. According to the researchers' findings, the level of microplastics in the waters of Baikal is comparable to levels seen in European and American lakes; however, pollutants started to enter into Lake Baikal later, which indicates a rapid pace of pollution. Also within the framework of the research, the problems of endemic organisms such as sponges and amphipoda were studied.

Risk management

GRI 3-3

En+ Group prioritises biodiversity conservation and adheres to the precautionary principle. The Company assesses potential risks that could lead to material impacts on the flora and fauna within the local areas. Upon identifying such risks, steps are taken to address them in accordance with the mitigation hierarchy:



Biodiversity risks are assessed as part of the Strategic Plan for Environmental Risk Management of the Power segment.

Climate and environment

GRI 304-4

The areas in which the Company operates have protected and endangered species, among which the following were selected as indicator species:

POWER SEGMENT

- Lenok
- Taimen
- Tugun
- Steppes rat snake
- Harlequin duck
- Osprey
- Horned pondweed (Zannichellia palustris ssp. repens)
- Fringed water lily (Nymphoides peltata)
- Dwarf yellow water lily (Nuphar pumila)
- Whitefish
- Gray duck
- Quadrangular water lily

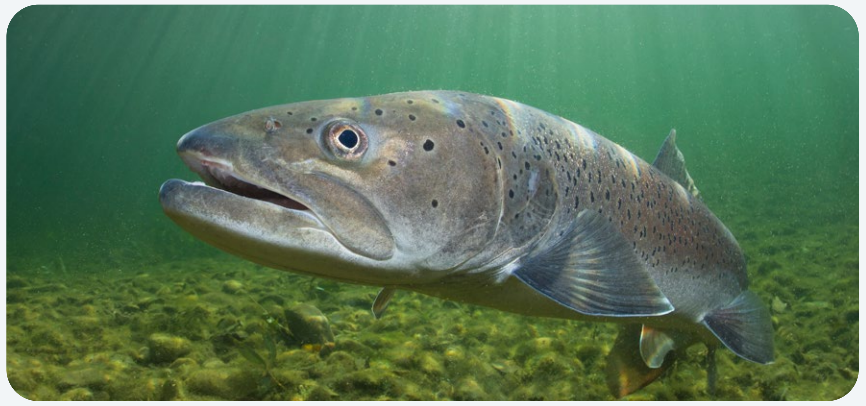
To minimise biodiversity risk, the Company works hand-in-hand with key stakeholders, including government officials, research institutions, and non-profit organisations.

The company also delivered environmental education for the public, developed biodiversity conservation programmes, conducted environmental monitoring in the area of HPP's impact.

Metrics and targets

EN+ GROUP IS COMMITTED TO AVOIDING AND MINIMISING THE IMPACT OF ITS ACTIVITIES ON BIODIVERSITY

GOALS	STATUS	PROGRESS made in 2023
By 2024, develop biodiversity conservation programmes and action plans for pilot facilities (three operating facilities in each segment)	On track	The Metals segment is 30% complete (one of three stages completed for each facility). The Power segment has developed a biodiversity conservation programme and action plan
By 2030, develop biodiversity conservation programmes and action plans for En+ Group's facilities, with identified biodiversity risks	On track	The Metals segment is assessing potential biodiversity impacts and reviewing ecosystem services for its ASI-certified facilities. Currently, this effort is nearing completion at three of the 18 certified enterprises. In the Power segment, the Company has kicked off work to preserve aquatic biological resources: an initiative supporting public fish conservation efforts in the Bratsk Reservoir is on track. The installation of artificial spawning grounds and measures to protect the patterned snake are planned for 2024.



More than 700 thousand juvenile valuable fish species have been released into the Bratsk Reservoir. Artificial spawning grounds are also planned to be established in the reservoir, and their impact will be monitored. In 2024, the Company will continue its efforts in these areas.

In 2023, fish protection structures were installed at CHP-10 to prevent juvenile fish from entering water intakes. By doing so, the Company will minimise impact on populations of 12 fish species. The cost of purchasing and installing such structures and devices amounted to RUB 30 million (USD 351,9 thousand). They have an expected service life of more than 50 years.

It was not only aquatic biological resources that were covered by the biodiversity protection projects run by the segment. In 2023, a protective fence was installed at the Tulunugol open pit mine to prevent wild animals from entering the site. Animals are repelled by electrical impulses that are not dangerous but unpleasant to them. RUB 3.4 million was spent on the construction of the fence (USD 39,8 thousand).

Support for community fishery inspectors

In 2023, as part of a project to protect aquatic biological resources in the area affected by Bratsk HPP, fishery inspectors from the Federal Agency for Fishery (Rosrybolovstvo) were supported by community inspectors and the Strana Zapovednaya (Protected Land) Foundation to identify 79 fishing violations and seize more than 2,830 m of illegally used fishing nets. The Company actively supports community inspectors, who assist state fishery inspectors: provides the necessary equipment and supplies. In 2024, it is planned to extend this practice to the Irkutsk and Krasnoyarsk reservoirs.

Energized for action

The first voluntary Biodiversity Conservation Report

In 2023, the Metals segment released its first voluntary Biodiversity Conservation Report encompassing the period from 2015 to 2022. The report extensively outlines the projects implemented by the Company around the monitoring and restoration of biological resources. It also details our land reclamation efforts and collaborations with research institutions. Furthermore, the report discloses information on a pilot assessment of ecosystem services conducted at segment enterprises. The report is aligned with both international standards and national regulations, which the segment voluntarily upholds.

PLANS FOR 2024 AND BEYOND

1. Approve the previously developed internal documents of the Metals segment
2. Implement biodiversity conservation projects in the Irkutsk Region, including a programme for mounting bird protection devices on electricity pylons, the rollout of successful public fish conservation practices, the establishment of artificial spawning grounds, etc.
3. Conduct field verification of the biodiversity conservation programme for the Angara HPPs (scientific monitoring)
4. Continue environmental monitoring of Lake Baikal and its drainage basin with tributaries

2024

People

Occupational health and safety

INTERNAL REGULATIONS

- Health, Occupational, Industrial, and Fire Safety Policy
- Regulations on the Health, Safety, and Environment Committee

MATERIAL TOPICS

- Occupational health and safety

1.05

total recordable work-related injury rate (TRIR)[2]
compared with 1.33 in 2022

Governance

GRI 3-3, 403-1, 403-2, 403-4, 403-8

The Company prizes its people as its core asset and places paramount importance on the safety of its workforce. En+ Group is dedicated to achieving zero fatalities and injuries among its employees.

In order to meet this goal, the Group focuses on boosting staff competencies in occupational health and safety (OHS), fostering a robust safety culture, and implementing preventative measures to safeguard against emergencies while minimising the impact of occupational hazards.

En+ Group has established a comprehensive OHS management system that encompasses all enterprises, employees, and contractors. The OHS system is aligned with national regulations, international standards, and best practices. Regular assessments are conducted to ensure corporate documents align with current OHS requirements.

En+ Group's core occupational health and safety management document is the Health, Occupational, Industrial, and Fire Safety Policy. It outlines the Company's baseline OHS principles and responsibilities, including the right of employees to decline work that poses a threat to their life and health. Additionally, it stipulates the CEO's obligation to role model a personal commitment to the Policy's objectives and principles, and to actively support and promote its implementation.

In 2022, all units of the Power segment were certified to the international standard ISO 45001:2018. In the Metals segment, 13 enterprises have been successfully certified, 3 of which received a certificate in 2023.

0.76

Lost time injury frequency rate (LTIFR)[1]
compared with 0.81 in 2022

5.3 RUB bn

(64 USD mn)—OHS costs at the Group

7 %

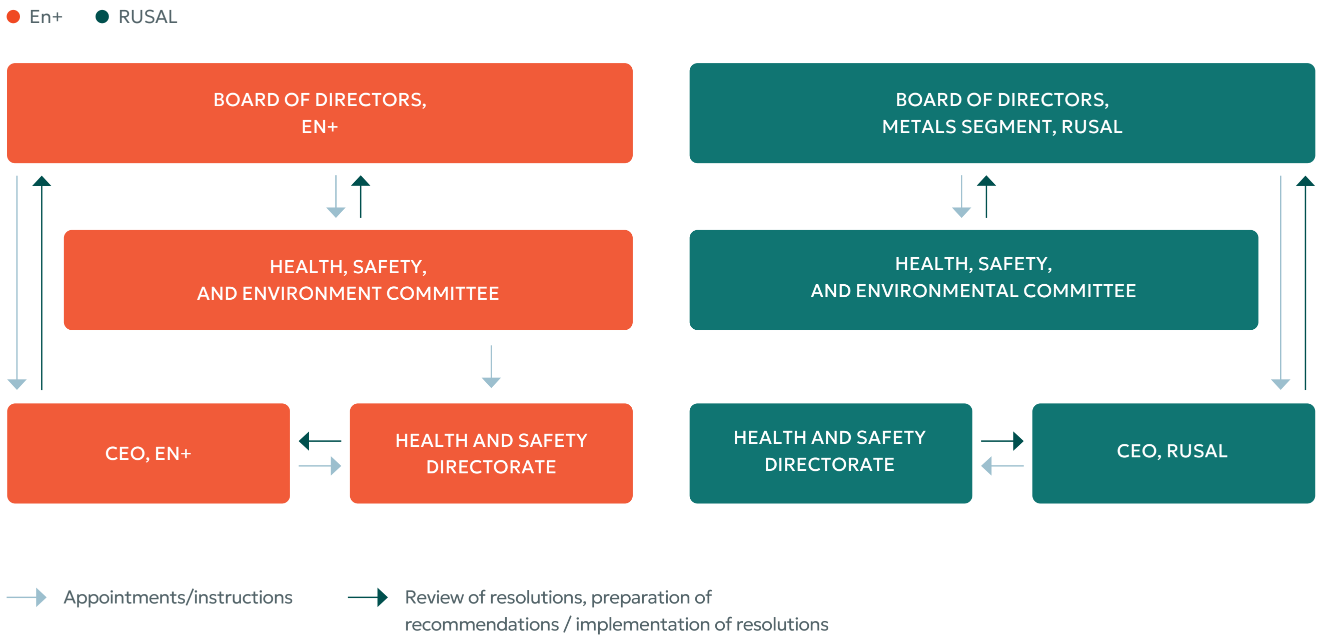
decrease in lost-time injuries

1 LTIFR is calculated per 1 million person-hours worked and includes cases of fatal, severe, and minor injuries causing temporary incapacity for work, recorded by the Company for the specified period.
2 TRIR is calculated per 1 million person-hours worked and includes work-related fatal severe and minor injuires, injuries causing temporary and permanent incapacity for work, injuries requiring professional medical care, and/or transfer to another job.

People

OHS Management structure

GRI 2-13



The OHS governance structure remained unchanged in 2023. The Health, Safety, and Environment Committee holds its meetings at least once a quarter to consider strategic issues related to the operation of the OHS management system and make recommendations to the Board of Directors concerning the approval of OHS goals, policies, and strategies.

For more details on EN+ Group's Health, Safety, and Environment Committee, see the Corporate governance section on page 191.

The coordination of the OHS management system is overseen by the OHS Department, which holds a range of primary responsibilities such as:

- managing local OHS teams
- conducting internal audits of facilities to evaluate the performance of the OHS management system and foster interaction with employees
- providing trainings to employees and conducting behavioural safety audits (BSAs).

In the reporting year, the OHS Department undertook 12 on-site inspections, and routinely conducted one-day on-site audit visits to enterprises located in a close proximity. Conducting behavioural safety audits during these on-site inspections assists the OHS Department in establishing direct communication channels with employees.

Group En+ spoke about its occupational health best practices

In April 2023, Irkutsk HPP hosted an on-site meeting of the HSE Committee of the Chamber of Commerce and Industry of Eastern Siberia. The meeting brought together large industrial enterprises and small and medium-size businesses. Participants also took a guided tour around the plant and discussed pressing occupational health-related matters.

En+ Group specialists were excited to share their experiences and accomplishments in developing the OHS management system and enhancing safety culture. They shared their experience in arranging five-minute safety briefings with colleagues, highlighting the significance of the Golden and Basic safety rules and providing real-world examples where employees have the right to refuse work that poses an injury risk or jeopardises their life.

Attendees acknowledged that such on-site gatherings play a vital role in enabling entrepreneurs to swiftly and effectively adopt occupational health best practices.

The Company is pushing ahead with its digital transformation of occupational health processes using the 1C platform. This initiative enables continuous monitoring of OHS progress and accelerates decision making. Within the Power segment, additional management reports were developed for each module of the system in 2023, significantly enhancing previously established modules such as Special Assessment of Working Conditions (SAWC), Health Protection, Training and Knowledge Testing, Audits and Inspections, Personal Protective Equipment (PPE), and Cleaners and/or Disinfectants (C&D).

In the Metals segment, the Occupational Safety automated information system was developed by adding modules such as Contractor Management; Risk Identification, Assessment, and Management; Occupational Health Operational Control; and Dashboards, while other auxiliary platforms were also successfully integrated.

For more details on digital transformation at En+ Group, see the Digitisation and Responsible business practices section on page 232.

Contractor management

GRI 403-1, 403-2, 403-5

En+ Group recognises the critical importance of ensuring contractor safety in parallel with the protection of its own employees.

Contractual agreements and the Agreement for Occupational Health, Industrial, and Fire Safety govern the OHS obligations and responsibilities of contractors. Prior to commencing work and during the work process, En+ Group evaluates contractors' compliance with regulatory and corporate safety standards to ascertain their suitability for the job.

In 2023, En+ Group took significant efforts to enhance the contractor management process. The Group revised procedures for approving work execution plans, schedules, and process sheets. Reporting procedures and the assignment of approver roles were refined, while a consolidated list of ongoing projects was drafted.

Each contractor employee takes mandatory induction briefings conducted by the OHS team, focusing on corporate safety requirements, proper PPE usage, and potential risks at the Company's production sites.

Leveraging a risk-based approach commensurate with the nature of the contractor's work, En+ Group runs additional face-to-face meetings and conversations. The Metals segment introduced a segment-wide practice of collective responsibility, ensuring that if one contractor employee breaches OHS regulations, the entire team faces suspension, disciplinary discussions, briefings, and retraining.

Regular audits and inspections are conducted on contractors to ensure compliance with OHS requirements. Most common violations, including failure to use PPE, are identified during the execution of tasks, such as working at height, excavation activities, with tools and equipment.

People

Strategy

In 2023, the Power segment commissioned an independent contractor for an external safety culture audit, which informed the development of Strategic Action Plans for 2024–2026.

The Metals segment continues to implement the 2023 OHS Strategy, targeting a 50% reduction in work-related injury rates and serious occupational accidents, with the ultimate goal of zero fatal injuries. Enterprises within the segment actively promote safety culture and health initiatives, delivering relevant health and safety training to support these objectives.

Safety culture

GRI 403-2, 403-5

En+ Group continued to use its supervisory practices to manage employees' workplace behaviour in line with its single Behavioural Safety Audit (BSA) procedure, with the ultimate goal of fostering safe habits and reducing the human factor to reduce work-related injury rates. In 2023, the Group introduced its Train the Trainer programme, which is focused on spreading awareness about behavioural safety audits and saw over 600 employees successfully completing training.

In the same year, the Company developed a comprehensive training course on BSA issues, and a BSA registration information system was piloted at the Aluminium Division of the Metals segment.

Safe behaviour

Within the Metals segment, enterprises are running a project to foster safe behavioural skills among employees. This initiative commits focus to developing both soft skills (such as memory, critical thinking, communication, openness, and friendliness) and hard skills (including education, knowledge of corporate requirements, operational procedures, and step-by-step operation guidelines and sheets).

En+ Group's specialists analyse individual employee traits and evaluate safety processes across all levels of the organisation, from top management to employees. Employee interviews and surveys are leveraged to tailor individual development plans.

Lockout and tagout at power facilities

The Group is progressively implementing lockout and tagout systems at the power facilities of its Alumina Division. In 2023, these systems were introduced at Achinsk Alumina Refinery and Boksitogorsk Alumina Refinery to enhance employee safety during equipment maintenance and repairs at industrial sites.

Health protection

GRI 2-25, 403-3, 403-6, 403-10

En+ Group applies proactive medicinal approaches, including routine healthcare and preventive medical support to reduce occupational risk impacts:

- Additional medical insurance
- Free medical care at corporate healthcare centres and medical aid posts located at industrial sites
- Reimbursement of medical procedures and surgical interventions that cannot be provided at the Company's healthcare centres
- Pre-trip and pre-shift medical examinations
- Screening and regular medical examinations
- Health resort treatment
- Vaccination against influenza and tick-borne encephalitis
- Drug and alcohol testing
- Psychological support.

Medical staff take regular advanced training to enhance their skills and expertise in delivering quality medical services. Employee health data is securely maintained and stored at medical aid posts following prescribed data security standards. The Company ensures secure communication channels are used to transfer personal health information anonymously to other healthcare services. En+ Group is expanding its healthcare services by opening new healthcare centres and establishing new departments at existing healthcare centres.

For example, in 2023, a new healthcare centre with a day-care unit was opened in Krasnoyarsk, and another day-care unit in Kamensk-Uralsky; outpatient clinics were renovated in Achinsk, Sayanogorsk, Krasnoturinsk, and Shelekhov; and equipment was purchased and physiotherapy service offerings were expanded across multiple departments.

This expansion aims to provide rapid medical assistance to a greater number of employees, aiding in the early detection of occupational diseases, initiating prompt treatment, and preventing health deterioration.

En+ Group consistently monitors the epidemiological landscape in its operating regions, enforcing mask mandates and reducing business travel as necessary to curb the spread of seasonal infectious diseases.

In its mission to promote healthy lifestyle among employees, the Company organises various sporting events.

For more details on En+ Group's sporting events, see the Contribution to Local Communities section on page 162.

Preventing cardiovascular diseases

The Company has initiated cardiovascular disease (CVD) prevention programmes within its healthcare units. By identifying CVD risk groups based on medical examinations and test results, employees at risk can receive additional tailored health studies and treatment and preventive healthcare recommendations and ongoing monitoring to track their health status effectively.

Healthy eating

En+ Group has also launched a healthy eating project at its canteens to match the physical and mental stress employees face at the workplace. The project encompasses four stages, from analysing the physical condition of employees to monitoring health indicators and dynamically evaluating the effectiveness of implemented measures. A large-scale study was conducted to identify workers with gastrointestinal ailments, excess weight, unhealthy habits, and other health issues, leading to the development of multiple job-specific menus by the Company's experts that account for the impact of harmful workplace factors, inter alia.

People

Emergency preparedness

GRI 403-2, 403-7

Given the fact we operate hazardous production facilities and are situated in locations prone to natural disasters such as earthquakes, floods, and wildfires, En+ Group recognises the heightened risk of natural and man-made emergencies. To ensure rapid and efficient emergency response, the Company undertakes a series of proactive measures:

- Developing and coordinating Emergency Response Plans with emergency rescue teams for hazardous production facilities, outlining effective emergency risks and response strategies
- Collaborating with local authorities to establish Civil Defence Emergency Action Plans, emergency prevention and response strategies, and fire safety plans, including for water bodies
- Providing theoretical and practical training for employees, governance bodies, emergency rescue teams, and workforce to implement civil defence measures
- Maintaining operational local warning systems
- Establishing financial and material reserves to tackle emergencies.

For facilities at risk of petroleum product spills, En+ Group formulates and approves Spill Prevention, Control, and Countermeasure (SPCC) Plans following established protocols. All employees are required to familiarise themselves with both the Emergency Response Plans and SPCC to ensure preparedness.

Emergency management theory is taught to employees through civil defence and emergency management instructions and training sessions. Employees refine their emergency management and first-aid skills through practical scenarios during emergency and fire drills. Fire-rescue and emergency response teams actively participate in these training sessions. Large-scale exercises and drills involve state supervisory bodies such as the Russian Ministry of Energy, EMERCOM, and the Federal Environmental, Industrial, and Nuclear Supervision Service of Russia (Rostechnadzor).

To promote collaboration and information sharing in addressing challenges related to forecasting, preventing, and responding to emergencies, the Group has signed emergency-related information exchange agreements with the Ministry of Emergency Situations of Russia and city administrations spanning all En+ Group enterprises.

GRI 413-1

En+ Group has established an emergency-related data exchange system to facilitate seamless data sharing, particularly during the emergency forecasting phase. A dedicated hotline serves as a channel for employees and external parties to report threats and violations linked to En+ Group's operations as well as current or impending emergencies. To alert residents in our operating regions, the Company leverages local warning systems integrated with municipal alert mechanisms.

Commensurate with its commitment to averting equipment-related accidents and incidents, En+ Group prioritises timely maintenance, industrial safety reviews, upgrades, and overhauls encompassing equipment, structures, and facilities. The Group's local documents set industrial safety standards for hazardous production facilities and establish protocols for safety reviews and subsequent corrective actions based on review outcomes.

To mitigate machinery risks, the following measures are implemented

- An emergency stock of spare parts is maintained
- Initiatives to transition the procurement of equipment and components to reliable Russian manufacturers and companies from friendly countries are implemented
- Emphasis is being placed on adopting modern approaches and management techniques within the Company
- Cutting-edge technologies are integrated into operating, maintenance, and repair processes

OHS training

GRI 403-5

En+ Group is committed to fostering a robust safety culture and conducts training and competency enhancement programmes for employees, emphasising compliance with Basic and Golden Safety Rules for both employees and contractors.

Mandatory training covers a wide spectrum of topics, including occupational health and safety, safe equipment operation at hazardous production facilities, fire safety, civil defence, emergency prevention and response, and industrial safety standard assessments. The cadence and content of training sessions for specific workforce categories are driven by legal requirements, with HR specialists monitoring schedule compliance to ensure timely provision of training. Trainees undergo knowledge assessments and provide feedback through post-training satisfaction surveys, enabling the Company to evaluate training effectiveness.

Electrical safety training

In 2023, the Company delivered training sessions for power grid operational staff, with equipment suppliers enlisted as trainers. These sessions targeted installation and maintenance staff dealing with high-voltage bushings, microprocessor terminals, microprocessor relay protection units, and emergency control systems.

Train the trainer

In 2023, the Power segment prioritised the training of internal trainers specifically designated to deliver OHS programmes to employees through various corporate initiatives. A total of 330 internal trainers sat specialised training sessions.

The Company has developed and refined several programmes and courses, including:

- a corporate course focused on internal incident investigation
- a training programme tailored to line managers to enhance safety manager skills
- a Safety Awareness programme dedicated to fostering a risk-based approach and understanding individual psychological traits.

People

Risk management

GRI 3-3, 403-2, 403-4

En+ Group's OHS management system emphasises a risk-based approach, allowing for proactive risk management strategies. The Company conducts thorough safety risk analyses, takes proactive steps to mitigate identified risks, and implements corrective measures based on incident investigation outcomes.

The evaluation of safety risks forms an integral part of the corporate risk assessment process.

Besides routine risk assessment practices, employees are expected to identify and report unsafe conditions and activities before and during work. There are various communication channels (including anonymous ones) for employees to report unsafe or hazardous conditions and practices:

- Telephone and e-mail
- Labour dispute commissions, OHS commissions, and ad-hoc commissions
- Monthly meetings on OHS issues
- The Signal hotline
- Speak-up boxes
- An incident warning system for managers

Hazardous operations have an increased injury potential. Each Group enterprise has drafted a list of hazardous operations. Each operation in this category is accompanied by risk assessment processes and corresponding risk management measures by relevant responsible staff.

To mitigate the risks associated with drug or alcohol impairment in the workplace, the Company carries out drug testing for all employees.

Furthermore, En+ Group conducts special assessment of working conditions at least once every five years[1]. The most prevalent harmful workplace factors, as noted in the Power segment's assessment, include occupational noise, heightened dust levels in working areas, and general vibrations. In the Metals segment, nearly half of job roles are categorised as having hazardous working conditions, often attributed to the severity of the tasks involved.

OHS-related risks, process risks, and force majeure risks (natural disasters, large-scale accidents, epidemics, etc.) are included in the overall list of sustainability risks at En+ Group. These risks are subject to comprehensive analysis by the Group's top management.

For more details on OHS risk mitigation activities, see the Strategy subsection on page 130.

1 In accordance with the classification provided in the Federal Law On Special Assessment of Working Conditions.

Metrics and targets

OHS targets are set by En+ Group on an annual basis.

KEY 2023 GOALS

GOALS	STATUS	PROGRESS made in 2023
Decrease LTIFR by 10%	Not achieved	LTIFR decreased by 7% from 0.81 to 0.76
Zero fatal accidents at the workplace	Not achieved	One fatal accident occurred at the Power segment and one at the Metals segment
External safety culture audit and review of the Strategic Action Plan for 2024–2026	On track	An external safety culture audit was conducted at the Power segment A Strategic Action Plan was developed
Certification audits of OHS management systems across all enterprises	On track	The project is on track
Development of an additional company-wide OHS training system for all employee groups, including a revision of existing training programmes and the development of additional ones	On track	The Corporate University is on track to develop and revise existing training programmes

People

GRI 3-3, GRI 403-1

Assessment of OHS management effectiveness is a continuous process at En+ Group, involving the review of internal and external audit results as well as tracking OHS key performance indicators (KPIs) for managers.

Monitoring procedures follow the Regulations on Ongoing OHS Status Monitoring, where managers across all levels conduct monthly assessments of the prevalent OHS situation according to the prescribed protocol. Subsequent reporting of these data to the OHS team enables the identification of areas for improvement in OHS.

GRI 403-2, 403-9 | SASB EM-MM-320a.1, IF-EU-320a.1

En+ Group meticulously maintains records of work-related injuries, accidents, and occupational diseases among both employees and contractors. Incidents are rigorously investigated in compliance with local legislation and corporate standards, following which corrective measures, unscheduled safety instructions, and training interventions for the workforce are planned and actioned.

In 2023, two fatal accidents were reported at En+ Group. There was group accident in Metals segment: one employee lost his life and the other was injured during a group accident while performing repairs on an electrolyser. The accident resulted from a breach of critical safety rules, specifically the use of water to cool the trunk line. As a preventive measure, the Company decided to design and deploy a mobile disconnect kit to prevent staff from descending to the trunk line during electrolyser shutdown operations.

There was fatal accident in Power segment: a fatal accident occurred during shutdown work on a boiler unit due to inadequate work management, deficient malfunction detection and monitoring procedures, improper delegation of authority, and failure to follow operational staff communication protocols. Following this incident, En+ Group conducted a comprehensive inspection of all drains, revised the operational protocols for high-pressure steam valves, issued detailed regulations on operational staff communication procedures, and revised job descriptions to improve the allocation of responsibilities.

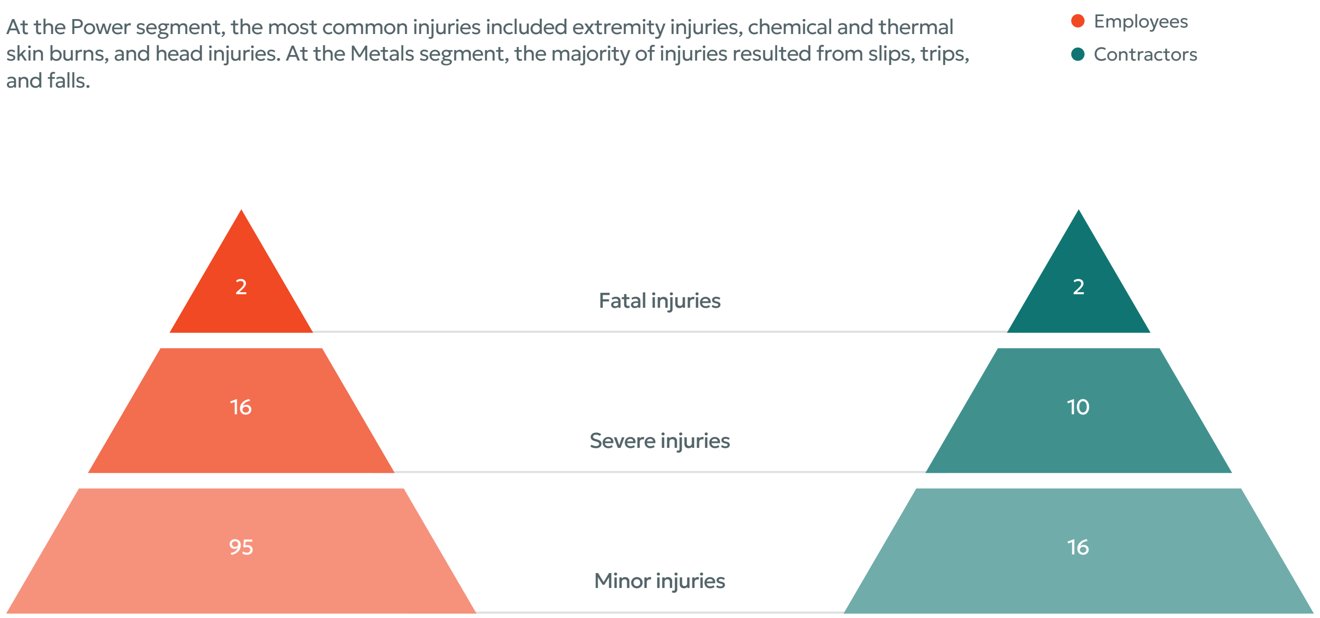
In 2023, the Company recorded 113 workplace accidents involving employees and 28 workplace accidents involving contractors. Root cause analysis suggests that accidents at En+ Group can be related to:

- slips, trips, and falls
- improperly handling hot melts
- improperly maintaining and servicing equipment and tools
- a failure to observe precautions while working at height
- staying or moving in a fenced hazardous area.

GRI 403-9 | SASB EM-MM-320a.1, IF-EU-320a.1

Injury rates for En+ Group employees and contractors in 2023

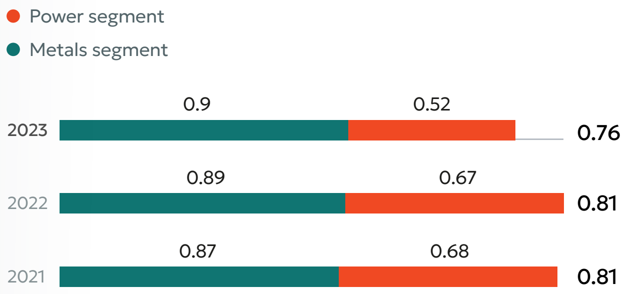
At the Power segment, the most common injuries included extremity injuries, chemical and thermal skin burns, and head injuries. At the Metals segment, the majority of injuries resulted from slips, trips, and falls.



GRI 403-9

Lost Time Injury Frequency (LTIFR) for Company employees,

per 1 million man-hours worked



In 2023, En+ Group documented 255 cases of occupational disease. At the Power segment, the prevalent occupational diseases include hand-arm vibration syndrome, sensorineural hearing loss, bronchitis, bronchial asthma, polyneuropathy, and osteoarthritis. The Metals segment reports common diseases like arthrosis, periarthrosis, chronic fluorine intoxication, hand-arm vibration syndrome, sensorineural hearing loss, chronic obstructive pulmonary disease, bronchitis, and oncological diseases.

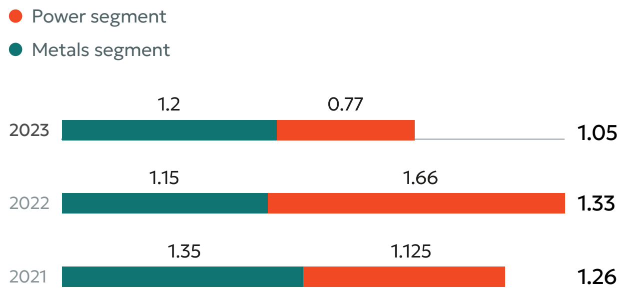
Throughout 2023, the Power segment recorded no natural or man-made emergencies. The Metals segment reported 57 fires, primarily stemming from violations of electric installation operation regulations and process non-conformance, including failure to follow hot work procedures.

For more details on injury metrics and rates, see the Additional ESG Data section on page 348.

GRI 403-9 | SASB IF-EU-320a.1

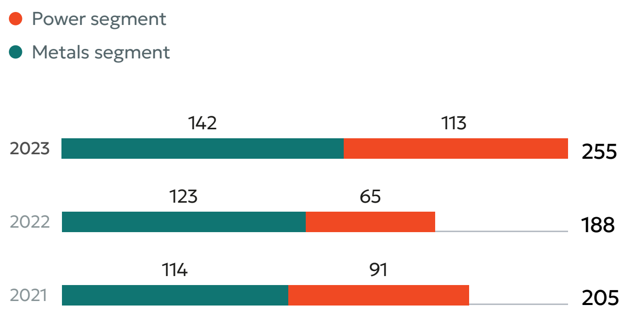
Total Reportable Injury Rate (TRIR) for Company employees,

per 1 million man-hours worked



GRI 403-10

Recorded occupational diseases suffered by Company employees[1]



PLANS FOR 2024 AND BEYOND

1. Reduce LTIFR by 10% and strive for zero fatalities
2. Spearhead OHS digitisation and automation projects
3. Increase share of enterprises whose occupational safety and health management system complies ISO 45001 standard
4. Develop new OHS training courses
5. Improve the Company's emergency responses and fire safety measures

1 Statistics on occupational diseases include only registered cases suffered by existing employees. Figures exclude cases of occupational disease that were first detected within the post-contact period.

People

Employees

8 DECENT WORK AND ECONOMIC GROWTH

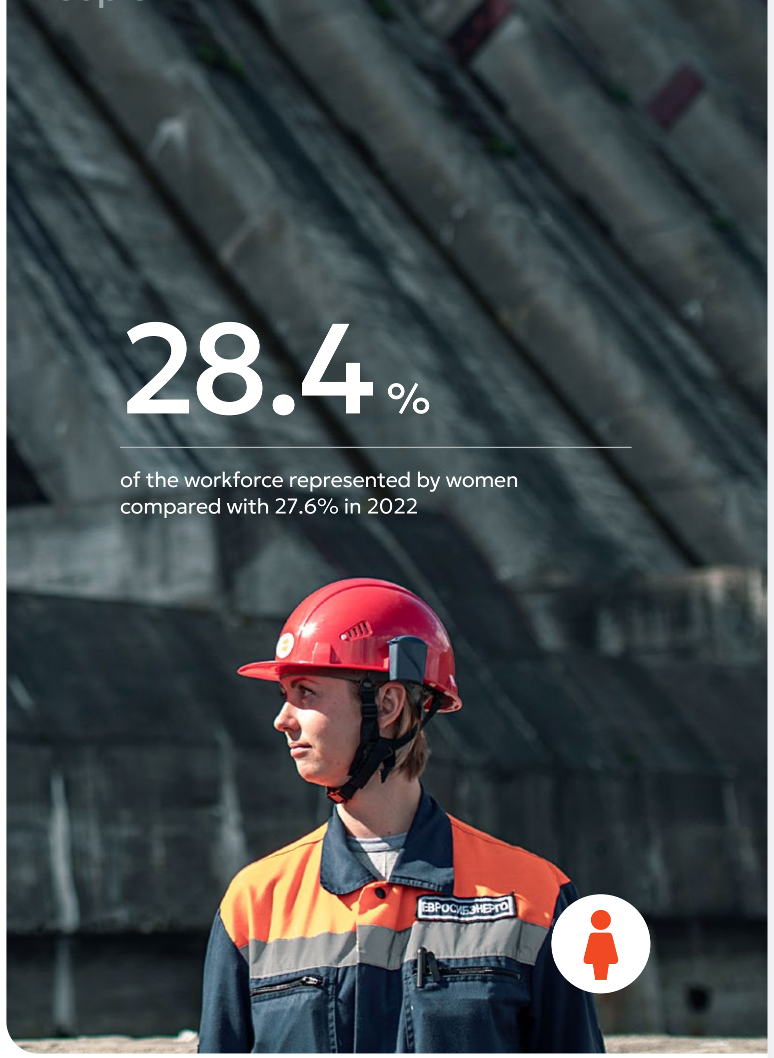
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

INTERNAL REGULATIONS

- Diversity and Equal Opportunities Policy
- Policy on Human Rights
- Corporate Code of Ethics

MATERIAL TOPICS

- Employees management and engagement
- Human rights
- Social and cultural diversity and equal opportunities



28.4 %

of the workforce represented by women compared with 27.6% in 2022

85 %

of employees covered by collective bargaining agreements
compared with 86.3% in 2022

90,064

employees
at the end of 2023

Management

GRI 3-3

Achieving En+ Group's strategic goals and objectives is impossible without human capital, which is why the Company makes every effort to support and develop its people. En+ Group's HR policy is driven by a desire to create equal conditions and opportunities for all employees.

The Group's core business principles are geared towards supporting the Company's sustainability goals as outlined in its Diversity and Equal Opportunities Policy. Its oversight lies with the HSE Committee, which annually reports on workforce diversity to the Board of Directors.

HR management structure GRI 2-13

● En+ ● RUSAL

En+

BOARD OF DIRECTORS, EN+

REMUNERATION COMMITTEE
- Conducts the first-stage review of matters related to establishing effective and transparent remuneration practices
- Oversees the implementation of the remuneration policy and incentive programmes
- Supervises disclosures on remuneration of the members of the Board of Directors and the CEO

NOMINATIONS COMMITTEE
- Runs the Board of Directors' self-evaluation process
- Arranges for an external performance evaluation of the Board of Directors
- Determines the individual responsibilities of the Management Board members

CEO

HR DIRECTORATE OF THE POWER SEGMENT
Coordinates the implementation of the HR policy across the Company

HR UNITS AT INDIVIDUAL PRODUCTION FACILITIES
Carry out day-to-day HR management at the enterprise level

RUSAL

BOARD OF DIRECTORS, METALS SEGMENT

REMUNERATION COMMITTEE
- Develops and regularly reviews the remuneration policy
- Reviews matters related to the establishment of effective and transparent remuneration practices

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE
- Sets the Company's priority business areas
- Runs a detailed formalised procedure for the self-evaluation or external performance evaluation of the Board of Directors and its committees
- Plans appointments

CEO

HR DIRECTORATE OF THE METALS SEGMENT
Carries out strategic HR management in the Metals segment

HR UNITS AT INDIVIDUAL PRODUCTION FACILITIES
Carry out day-to-day HR management at the enterprise level

→ Appointments/instructions
→ Review of resolutions, preparation of recommendations / implementation of resolutions

Our HR management approach is further formalised in the Policy on Human Rights and the Corporate Code of Ethics, which apply throughout the organisation, from the boardroom to the shop floor. Moreover, En+ Group expects similar compliance from its counterparties.

GRI 2-27

In its relationships with employees, En+ Group strictly adheres to the prevailing labour laws applicable in the countries where it operates. In 2023, no significant violations of labour laws or the Group's regulations were recorded.

To evaluate its HR management, the Company routinely reviews progress against KPIs and the results of annual employee satisfaction and engagement surveys. Performance on all metrics, including labour productivity gains, minimal employee turnover, and consistently positive engagement survey results, demonstrates strong HR management across the Company.

People

Strategy

En+ Group's HR management strategy seeks to provide opportunities for the professional development and social well-being of its employees.

Incentives and remuneration

En+ Group offers its employees competitive pay above the market average, thereby boosting their motivation and overall job performance. Employees' compensation comprises a basic salary and additional payments contingent upon their performance evaluation. Additional payments include:

- bonuses awarded to heads of subsidiaries from a dedicated bonus pool
- annual performance bonuses, as well as quarterly and monthly bonuses to provide additional incentives
- payments to employees actively contributing to the Company's social projects
- payments to recipients of corporate, national, or agency awards.

Bonuses are paid to employees based on the achievement of target KPIs. Through UNIVER, the Company's intranet portal, employees can check their KPIs and report progress against them. For better performance evaluation, the Company conducts monthly preliminary reviews of progress against targets, with employees preparing quarterly reports detailing their work progress.

En+ Group uses the 32 parameters of SHL methodology to assess its employees' competencies. The metric scores are grouped into the Talent Management, Task Management, and Self-Management pillars, reflecting every aspect of job performance. In the reporting year, employees were also evaluated using the 9-box model, which helps identify talents and growth vectors for each employee group. The assessment was completed by 100% of managers, specialists, and office-based staff, as well as approximately 9,932 blue-collar employees.

Social support to employees

GRI 401-2

En+ Group offers its employees a wide range of social programmes beyond those required by law and also provides equal benefits regardless of the type of their employment contract.

Social support to employees and their families GRI 403-6

SUPPORT PROGRAMME	DESCRIPTION	2023 RESULTS
Preferential mortgage programme	• The Company's preferential mortgage programme for the Power segment was launched in 2020. Employees have the opportunity to purchase a new-build or second-hand housing on preferential terms or use the option to refinance existing mortgages. • The partner bank offers housing loans at an annual interest rate of 9.5% for 10, 15, or 20 years, with no down payment required. • The Company covers 50% of the monthly payment. The programme is available to employees who have worked at the Group's facilities for a minimum of three years, as well as to young specialists employed by the Group for at least a year.	A total of 323 employees within the Group have taken advantage of the preferential mortgage programme
Supplementary health insurance	• The Company strives to ensure that every employee has access to quality healthcare and allocates funds for supplementary medical insurance programmes to achieve this goal.	100% of employees are covered by VHI programmes
Health resort treatment	• Every year, the Company sponsors employee health improvement programmes at recreational medical facilities and resorts or through weekend getaways, as well as offers vouchers for holiday centres and hotels, and organises vacations for employees' children. Employees can enjoy a stay at a health resort once every two or three years by paying just 10% to 20% of the voucher cost. The remaining costs are covered by the Company. Moreover, En+ Group reimburses up to 70% of the expenses for family members' vacations.	About 1,500 employees' children benefitted from vouchers for children's camps, with approximately 5,000 employees receiving vouchers for health resort treatment
Supporting employed parents	• Assistance is provided to large families and schoolchildren's parents through financial support, along with the distribution of school supplies during the annual Get a Child Ready for School campaign and New Year gifts for employees' children. • Furthermore, parents of children with special needs are entitled to a monthly allowance of RUB 10,000 per child until the child reaches the age of 18, along with reimbursement of preschool costs.	57.9% Retention rate of employees that took parental leave
Meal allowance	• The Company provides subsidised meals to all employees of its Power and Metals segments.	
Promotion of sports and healthy lifestyle	• The Company promotes a healthy lifestyle among its employees and encourages them to take part in various sports activities.	More than 10 thousand people from 23 cities participated in the "Get on Your Skis" festival
Retiree support	• Retired employees of En+ Group entities are entitled to partial compensation of health resort treatment costs.	The Group has distributed approximately 500 vouchers
Dobroservice advisory support line	• Since 2022, the Company has been collaborating with the Dobroservice employee support centre. The hotline is available for psychological and legal support as well as personal finance advice. Upon receiving a support request, the customer service manager schedules a convenient time for a consultation or facilitates an immediate connection with an expert if the issue is urgent. The service is available 24/7. All information and advice are confidential.	

People

GRI 2-30, 401-2 SASB EM-MM-310a.1

To ensure effective social support for its employees, the Company listens to their wishes and needs, guided by the principle of social partnership. En+ Group fosters positive dialogue with employee representatives from trade union committees and negotiates collective bargaining agreements with them.

Moreover, representative bodies formed from among employees, including work, women's, and youth councils, help facilitate effective communication with employees.

Involvement of work, women's, and youth councils GRI 413-1

Council	Involvement
Women's councils	Active at the Metals segment facilities and at Krasnoyarsk HPP. Women's councils conduct workshops, speaker sessions, and career guidance meetings. They also initiate public-private partnership projects for community improvement and coordinate monthly family cultural and sporting events.
Work councils	Responsible for facilitating communication between employees and the employer regarding labour and living conditions, production development, compensation, and other related matters. Additionally, they hold volunteer, leisure, and sporting events for employees.
Youth councils	Their efforts are directed towards involving young specialists at the Company in the decision-making process.

Human rights GRI 3-3

En+ Group does not tolerate discrimination on any grounds and provides employees and candidates with equal opportunities in hiring, compensation, performance evaluation, and training. The Diversity and Equal Opportunities Policy is the key document formalising this principle.

En+ Group respects human rights, works to prevent human rights violations at its facilities, and expects the same from its counterparties. The HR Department is responsible for ensuring human rights compliance across the Group. Human rights risks are incorporated into the Company's overall risk management system. En+ Group conducts regular assessments of these risks.

Workforce diversity metrics

- Age
- Disability
- Sex or gender identity
- Sexual orientation
- Ethnic or national identity
- Religion and beliefs
- Marital status
- Pregnancy and motherhood
- Other characteristics protected by the law

Signal hotline

To ensure human rights protection, the Company strongly relies on feedback mechanisms.

Complaints about violations of labour rights or discriminatory behaviour, as well as any concerns that may arise for employees, partners, and other stakeholders, can be reported via the 24/7 Signal hotline.

by phone
8 (800) 234-56-40

by email
signal@enplus.ru

No complaints of labour rights violations were recorded in 2023.

Rights and freedoms of En+ Group employees and suppliers GRI 2-23

HUMAN RIGHTS	COMPANY APPROACH	2023 KEY FIGURES	VIOLATIONS RECORDED IN 2023[1]	UN SDGS
Right to work and favourable working conditions	The Company operates in strict compliance with the labour laws of the regions where it operates, ensuring favourable and decent working conditions as well as adequate leisure time for its employees.	• Social expenses for personnel amounted to RUB 9.5 billion • 40% employees have taken training	No violations have been recorded	3, 4, 8
Right to health	En+ Group respects the rights of its employees and local communities in the regions where it operates to healthcare and takes measures to mitigate adverse impacts from operations. At its facilities, the Company ensures compliance with occupational health and safety standards and implements measures to prevent occupational diseases. Employees are offered VHI policies. The Company invests in healthcare infrastructure in its host cities and promotes healthy lifestyle among local communities.	• 100% of employees are eligible to take part in our VHI programmes	No violations have been recorded	3
GRI 406-1 Gender equality and non-discrimination	The Company does not tolerate any form of discrimination in its relationships with employees, safeguarding their rights to equal opportunities for professional development, training, and career advancement. We are also committed to equal pay for equal work.	• 33% women representation on the Board of Directors of EN+ GROUP IPJSC • 0.95 the female-to-male basic salary ratio in Power segment	No violations have been recorded	5, 8, 10
GRI 408-1, 409-1 No child, forced, or compulsory labour	En+ Group does not tolerate child, forced, or compulsory labour at its own facilities or among its counterparties.	• The Company and its counterparties are not exposed to child, forced, or compulsory labour risks	No violations have been recorded	16
The right to safe environment	En+ Group respects the rights of its employees and local communities to a safe environment and acknowledges the extent of its impact on the environment in the regions where it operates. En+ Group takes all necessary measures to mitigate its impact and conducts the relevant assessments when planning and conducting its activities.	• RUB 17.6 mn (207 USD mn)[2] was allocated to environmental protection	No violations have been recorded	6, 11, 12, 13, 15
The right to privacy	En+ Group respects the privacy of its employees and other stakeholders and takes all necessary measures to protect personal data.		No violations have been recorded	16, 17

1 Including violations recorded at En+ Group facilities as well as among suppliers.
2 Calculated based on the average USD/RUR exchange rate of 85.25 for 2023

People

Employee training and development

En+ Group provides its employees with ample opportunities for development and training. The Company allocated 244.8 RUB mn (2.8 USD mn)[1] in 2023 (excluding travel expenses) for these purposes. Additionally, the Group spent RUB 485.4 mn (5.66 USD mn) on training its succession pool (including employer-sponsored education for students of secondary vocational and higher education institutions).

GRI 404-2

Training opportunities for employees include:
- programmes and courses offered through the corporate learning portal UNIVER
- professional training (including professional education programmes for blue-collar jobs, professional development programmes for managers and specialists, and simulation training for CHP staff across boiler, turbine, and boiler-turbine shops)
- subsidised higher education programmes at universities in the Group's regions of operation, with the employee covering the tuition fees for the first semester only
- corporate development programmes and other options.

Within the Professional Training pillar, the Company employs the Web Expert programme to train and assess En+ Group managers and specialists on technical standards and laws and regulations before and during examinations. Such training and assessment serve as the first step preceding the knowledge assessment by the facility's certification committee, conducted annually to confirm job fit in accordance with the HR Policies and Procedures. Upon completing the Web Expert test, the employee is issued a protocol, which they present to the certification committee. 1,708 people took the Web Expert tests in 2023.

En+ Group is strongly focused on getting young people into engineering and manufacturing starting as early as their schooling and university years. Additionally, the Company runs a range of programmes to train and employ young talent.

2023 performance highlights of the Corporate University:

Eleven remote learning courses were developed, including courses on identifying and documenting instances of electricity usage for cryptocurrency mining, compliance with international sanctions, business correspondence, safe ways of working, and mentoring

Six remote learning courses and webinars were updated, including those on leadership, time management, and teaching

1 Calculated based on the average USD/RUR exchange rate of 85.25 for 2023

Initiatives implemented in 2023 as part of young talent support

PROGRAMME	DESCRIPTION	RESULTS
	Attracting students	
Partnerships with higher and specialised secondary education institutions	During the reporting year, the Company entered into two new cooperation agreements: one with the Balakhna branch of the Lobachevsky State University of Nizhny Novgorod, and the other with the Ivanovo Energy College. Several project agreements have been signed with Moscow Power Engineering Institute and Lomonosov Moscow State University. The IT cluster of the Professionalitet programme maintains partnership relations with the Ust-Labinsk Social Pedagogical College.	• There are currently 17 contracts in effect in 2023: five with secondary vocational education institutions and 12 with higher education institutions.
Employer-sponsored education	Employer-sponsored education for students of secondary vocational education institutions, such as the Irkutsk Energy College and the Divnogorsk Hydropower Technical College, focuses on providing secondary vocational education and blue-collar training, ensuring subsequent guaranteed employment at En+ Group.	• Between 2013 and 2023, 265 individuals completed employer-sponsored training and were subsequently employed by En+ Group. Dedicated investments amounted to 14.6 RUB mn (171 USD thsd).
Scholarship programme	The scholarship programme was designed as a system to incentivise talented and promising students studying energy, metallurgy, medicine, and pedagogy subjects. En+ Group also enters into employer-sponsored education contracts with students from Russian higher education institutions, granting additional monthly scholarships sponsored by the Company.	• In 2023, the Company offered scholarships to 177 future steelworkers, energy workers, educators, and doctors. • Over the course of three years, 422 students have received scholarships. Dedicated investments amounted to 29.34 RUB mn (344 USD thsd).
Corporate training and research centres (CTRCs)	CTRCs offer employer-sponsored training hosted by the INRTU and Bratsk State University (BrSU) training centres. In 2023, one of the CTRCs launched a procurement training programme for EuroSibEnergo Trading House.	• Over the span of 15 years (2008–2023), En+ Group has trained and employed 727 graduates with degrees in energy. • In 2023, 62 students completed their training CTRC-based programmes.
IT Academy	The IT Academy is an additional training programme designed for IT and communication students in higher education institutions. Its purpose is to build unique competencies and enhance opportunities for employment at En+ Group and RUSAL. Students from four Siberian universities (INRTU, ISU, BrSU, and SibFU) take a 2.5- or 3-year training programme encompassing a core curriculum and specialised tracks. These tracks include information security, web programming and software development, industrial automation and digitisation, network and server infrastructure, telecommunication systems, and ERP platforms. In the reporting year, the IT Academy was nominated for a WOW!HR award, a major international HR award.	• Between 2021 and 2023, 550 individuals participated in the programme, with 226 individuals joining in 2023 alone. Upon finishing their studies, students are offered positions at En+ Group facilities: in spring 2023, 22 graduates of the first cohort were welcomed by the Group. Dedicated investments amounted to 105.7 RUB mn (1.2 USD mn).

People

Initiatives implemented in 2023 as part of young talent support

PROGRAMME	DESCRIPTION	RESULTS
	Attracting students	
Professionals	As part of the Moscow Urban Forum, En+ Group and the Federal Institute for the Development of Vocational Education and Training (FIDVET) forged a partnership agreement to advance the All-Russian Championship Movement Professionals.	• We plan joint projects to promote advanced workforce training standards, facilitate youth employment, foster a new operational culture, and enhance the significance of blue-collar jobs in Russia.
Energy Lab	The annual grant programme inviting students to take part in production-related case studies was designed to search for innovative solutions for further implementation at En+ Group energy facilities. The project operates in the accelerator format, where students' innovative solutions are curated and implemented by business experts and academic supervisors. The project is open to students from all over Russia. The winners receive grants of up to 400 RUB thsd (4.6 USD thsd)[1] to implement ideas that help address real production challenges faced by En+ Group. The total grant fund for 2023 was 1,050 RUB thsd (12.3 USD thsd).	• Over the course of six years, the programme has trained 1,101 students, with 321 participating in 2023. By that year, the programme had expanded nationwide, involving students from all federal districts of the country.
DHTC-based Energy Lab scientific and experimental complex	In 2023, the Divnogorsk Hydropower Technical College (DHTC) inaugurated its new scientific and experimental complex, the Energy Lab. It comprises two specialised classrooms equipped with state-of-the-art scale models of hydraulic turbine and generator units, complemented by training simulators designed to develop assembly skills. The virtual laboratory solutions installed on desktop PCs create an immersive experience, allowing students to feel like they are running tests in actual laboratory settings.	• The project has been allocated over RUB 20 mn (USD 234.6 thsd)[1] to support its implementation.
	Young talent training	
My Career 2.0 corporate development programme	The reporting period saw the completion of the application process for the My Career 2.0 programme. Four out of the programme's five stages have been successfully completed, and in the final stage, 30 individuals with the highest scores will be selected to join the Company's talent pool. They will be provided with internship opportunities for their new positions and receive support in preparing for their target roles. Each year, programme finalists are rotated into vacant positions.	• Following the review process, 209 individuals were selected from a pool of 477 applications filed by En+ Group employees.

1 Calculated based on the average USD/RUR exchange rate of 85.25 for 2023

PROGRAMME	DESCRIPTION	RESULTS
	Young talent training	
En+ Group Leaders (Future Leaders)	The En+ Group Leaders programme is a company-wide initiative focused on implementing key projects to unlock additional business benefits for the Company. The programme involves employees from the talent pool who have been selected through internal competitions and assessment processes and are willing to take on extra responsibilities and advance professionally and in their careers. As part of the programme, participants take training, implement strategic and local projects, and speak at conferences.	• At the end of 2023, the number of participants was 100.
Mentoring	En+ Group is developing a single mentoring system, which will be supported by a draft company-wide regulation governing the shop-floor mentoring process. Mentors will take a remote dedicated course themed En+ Group Mentorship.	• In 2023, a deep-dive into the existing mentorship system, including a benchmarking exercise, was used to inform a series of proposals to improve the current situation.
	Employee training	
Professional training	The Company runs professional training programmes across 54 blue-collar professions, alongside various professional development programmes for managers and specialists. Additionally, simulation training is provided for CHP operational staff across boiler, turbine, and boiler-turbine shops.	• In 2023, 9,640 individuals received training in various areas[2]. • A total 303 employees from En+ Group's eight CHPs completed simulation training. • A total 28 professional training programmes for blue-collar jobs were run, with 749 people completing the training.
Subsidised higher education	A subsidised higher education programme for En+ Group employees was launched in 2020. The programme covers the employee's tuition costs from the second semester onwards, with the employee covering the expenses for the first semester themselves. The programme involves partner universities in all regions where En+ Group operates.	• In 2023, 19 En+ Group employees participated in the programme, bringing the total number of participants between 2020 and 2023 to 68 individuals. The programme was financed for a total of RUB 2.27 mn (USD 26.6 thsd).
Kommersant corporate development programme	Dedicated talent pool development programme for employees of EuroSibEnergo Trading House. Duration of the programme is one year.	• In 2023, 20 students successfully completed the entire course, comprising four in-person modules and a final business game, with the programme hitting 100% of its scope target.

2 Including safe equipment operation in hazardous settings, occupational health, civil defence, Russia's nationwide disaster management system, fire safety, traffic safety, blue-collar jobs, and professional development and retraining for engineers and technicians.

People

Energized for action

Professionalitet

A joint project between the Power and Metals segments.

Professionalitet Federal Programme was launched by the Russian Ministry of Education in 2022 across 42 regions.

Its key purpose is to implement an industry-driven workforce training model by integrating colleges and industrial enterprises (anchor employers) into clusters focused on the key sectors of the economy.

The Group's Power and Metals segments are actively involved in the programme as anchor employers across three clusters.

cluster **METALLURGY**

cluster **ENERGY**

cluster **IT**

1,655 students

were enrolled in the programme in 2022 and 2023

Specifically, in 2023:

250 people	667 people	100 people
in the Metallurgy cluster	in the Energy cluster	in the IT cluster

As part of the programme, the Company allocated **RUB 279.2 mn** (USD 3.2 mn)[1] for the renovation of classrooms and laboratories and the construction of an additional academic building for students based in the Krasnodar Territory.

Krasnodar Territory Digital Excellence Centre

In September 2023, the Krasnodar Territory Digital Excellence Centre, an education and industrial hub focused on information technology (IT cluster), was established in Ust-Labinsk. It will focus on workforce training in the following areas:

- computer systems and networks, training computer systems specialists
- information systems and programming, training software engineers.

The IT cluster is hosted by the Ust-Labinsk Social Pedagogical College, a state-budget education institution located in the Krasnodar Territory.

In 2023, students were invited to enrol in the Information Systems and Programming tracks within the IT cluster. There were 910 applications for the 50 available government-funded places and 163 applications for the 50 places available through self-funding.

Due the involvement in the federal project and the support offered by En+ Group's partner company as part of the Proffessionalitet Federal Programme, the participating education institutions have received the following assistance:

- renovation of premises
- construction of a new academic building and overhaul of the dormitory and the existing academic building at the host college campus
- upgrades to education institutions' facilities
- building and fitting-out specialised areas tailored to different types of tasks (such as laboratories, testing facilities, and production sections)
- development and alignment of the core education programmes' structure for various specialties, including defining graduate competency models
- providing training through the professional development programme for regional management teams of education and production centres (clusters), faculty, and company employees

1 Calculated based on the average USD/RUR exchange rate of 85.25 for 2023

Risk management

HR management risks were deemed insignificant during the reporting year and, therefore, were not included in the En+ Group's overall list of risks. In order to mitigate HR-related risks, the Group arranges employee training and development, in addition to offering a variety of social programmes for its people.

For more details on risks, see the Internal Control and Risk Management section on page 200.

Metrics and targets

Each year, the Group sets HR management targets.

GOALS	STATUS	PROGRESS made in 2023
Conduct employee appraisals	Completed	In 2023, a total of 1,708 employees took the Web Expert tests. Power segment completed the goal.
Ensure high levels of qualification among existing employees to match the specific hazardous production settings and raise requirements for mandatory knowledge and skills	On track	The Company remains committed to advancing the skills and qualifications of its people
Hold events to bring high-potential employees into the Future Leaders programme	Completed	The programme was joined more than 280 employees
Develop a company-wide mentoring system	On track	A draft company-wide regulation governing the shop-floor mentoring process has been developed, and the dedicated remote learning course themed En+ Group Mentorship has been published on the UNIVER portal
Improve data collection on internal training by automating UNIVER portal processes	Completed	Training-related data collection through UNIVER has been automated
Increase the number of scholarship recipients employed or wishing to be employed by the Company	Completed	The number of scholarship recipients majoring in energy-related fields and employed by the Company has increased. In 2023, there were a total of 177 scholarship recipients

People

GRI 2-7, 401-1 SASB EM-MM-000

At the end of 2023, En+ Group's headcount was 90,064, down by 6,553 year-on-year. The majority of employees are employed under full-time (98.9%) permanent (93.8%) employment contracts.

The Company is also focused on promoting gender equality and is committed to achieving a gender-balanced workforce. Women account for 28.4 of the total workforce. During the reporting year, 13,190 employees were hired, 32.7% of whom were women, consistent with industry averages. The proportion of women on the Board of Directors of EN+ GROUP IPJSC stood at 33% in 2023.

When recruiting for its facilities and units, the Company prioritises local hiring[1].The proportion of locally hired managers stood at 98.2% in Russia and 60.7% in other countries in 2023.

En+ Group provides employment and professional development opportunities to people with special needs[2]. In 2023, the average headcount of disabled employees was 900, comprising 1% of the total workforce.

GRI 2-8

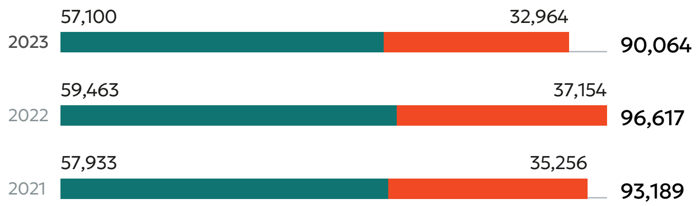
Workers who are not employees include contractors and subcontractors engaged under civil law contracts. They participate in construction and repair operations and contribute to technological developments, employee training, and marketing campaign planning.

Employee turnover[3] during the reporting period was 12.8%, up 2.3 p.p.

GRI 2-7 SASB EM-MM-OOO.B

Total headcount as at the year-end[5]

● Metals segment
● Power segment



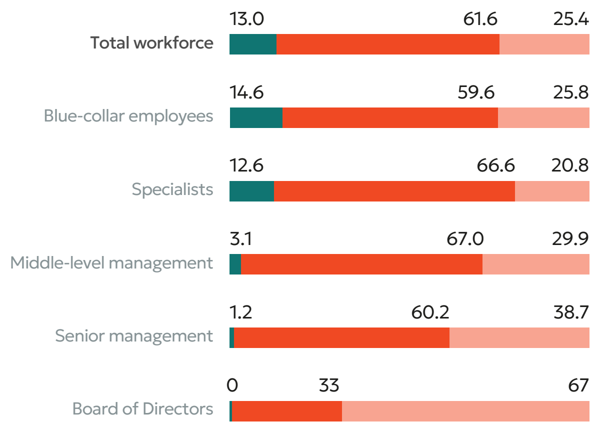
GRI 405-1

Gender diversity, 2023, %

● Women ● Men

Employee breakdown by age, 2023, %

● Below 30 ● 30–50 ● Over 50



For more details on En+ Group employees, broken down by age groups, see the Additional ESG Data section on page 351.

1 The geography-based definition of a local community includes the country of operation.
2 Pursuant to Federal Law On Social Protection of Disabled Persons in the Russian Federation and to fill quota-based positions with the required number of disabled employees, the Company enters into agreements with local branches of the All-Russian Society of Disabled People in its regions of operation. This allows Group facilities to meet their quota obligations through such agreements.
3 In the Power segment, employee turnover is calculated as the number of employees who left during the reporting period (under Art. 77(1)(3) of the Labour Code of the Russian Federation) divided by the total headcount as of 31 December. In the Metals segment, employee turnover is calculated as the number of employees who left during the reporting period (irrespective of the reason or the article of the Labour Code of the Russian Federation) divided by the total headcount as of 31 December.
4 Calculated based on the average USD/RUR exchange rate of 85.25 for 2023
5 The total number of employees at the end of the year does not include external secondary job employees. The data was collected using the HR data collection system.
6 Senior managers include a president, vice-presidents, directors of enterprises, production units and other functions, as well as their deputies.
7 The basic salary excludes any additional remuneration, such as payments for overtime or bonuses.
8 Board of directors of En+ Group without RUSAL

In 2023, labour costs totalled RUB 133.5 billion (USD 1,566 million)[4]. Expenses for social security of personnel amounted to 9.5 billion rubles (USD 111.4 mn). En+ Group contributes to improving the quality of life for its people and promotes their financial well-being. In November 2023, salaries for employees saw an average increase of 14%.

The average salary in the Power segment was 84,728 rubles, in the Metals segment—103,491 rubles. In 2023, the female-to-male salary ratio in the Power segment was 0.95, compared to 1.3 in the Metals segment. The average basic salary of men at the Company is higher than that of women. This is because statutory restrictions prevent women from working in hazardous setting, where higher pay rates are offered.

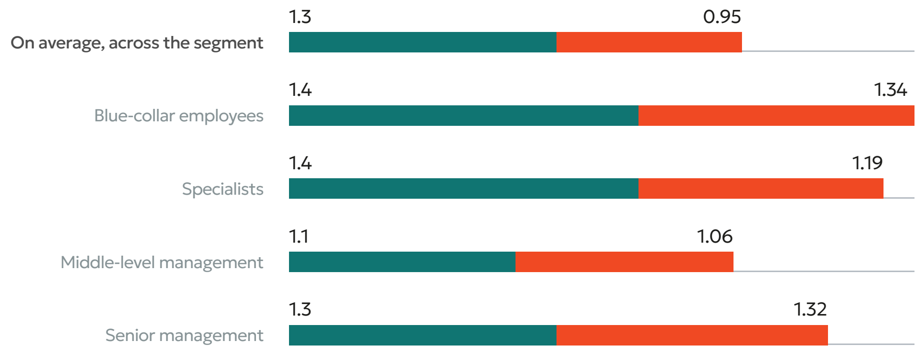
Average pay of En+ Group employees in Russia in 2023, RUB

● Metals segment
● Power segment

GRI 405-2

Female-to-male basic salary ratio at Russian entities, 2023[7]

● Metals segment
● Power segment

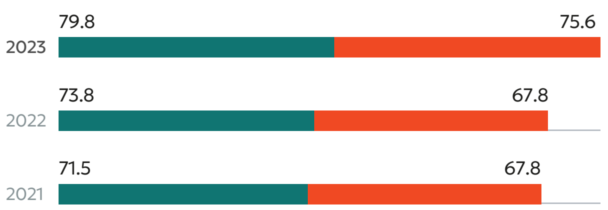


People

In order to gauge team morale and tension, the Company conducted an annual survey using online questionnaire forms. This helped establish employee engagement and job satisfaction levels.

Employee engagement and satisfaction levels, %

- Satisfaction
- Engagement



2023 satisfaction and engagement survey results

58,654

Group employees participated in the survey

75.6 %

Employee engagement level
9% higher than in 2019

79.8 %

Employee satisfaction level
9,1% higher than in 2019

PLANS FOR 2024 AND BEYOND

1. Ensure the implementation of the Scholarship programme, facilitating employment at the Company or the conclusion of employer-sponsored training contracts with a minimum of 55% of scholarship recipients
2. Continue the IT Academy educational programme through partnerships with IRNITU, ISU, BrSU, and SibFU to ensure that our needs for IT talent are covered
3. As part of the Professionalitet project, ensure the implementation of the approved action plan, commence dedicated training programmes at the Irkutsk Energy College and the Ust-Labinsk Social Pedagogical College, and apply for the registration of a new Coal cluster for review
4. Run the Energy Lab acceleration project engaging at least 15 higher and secondary vocational education institutions
5. Grow the En+ Group Leaders programme in accordance with the action plan

2024

Contribution to local communities

8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS

INTERNAL REGULATIONS

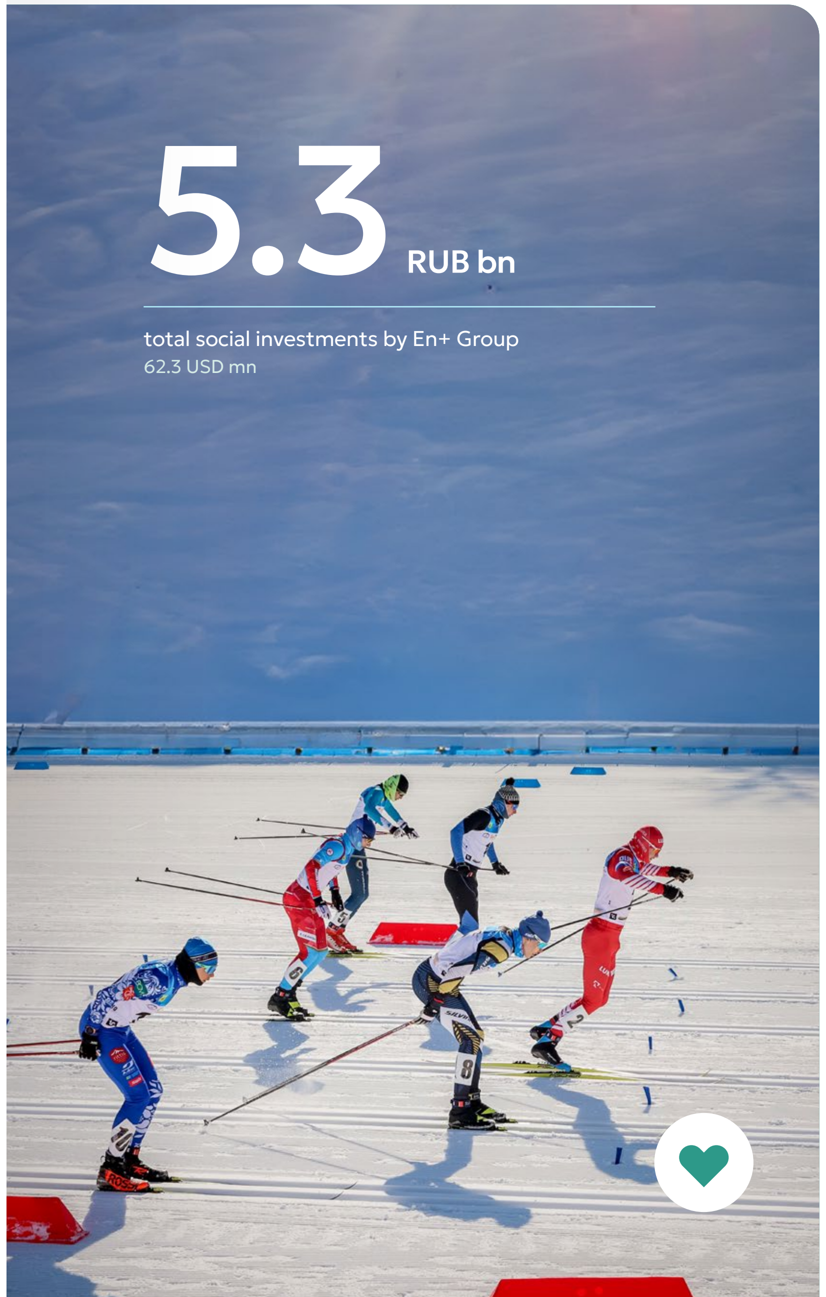
- Stakeholder Engagement Policy

MATERIAL TOPICS

- Community engagement
- Social and cultural diversity and equal opportunities

>5,000

employees participating in volunteer programmes



5.3 RUB bn

total social investments by En+ Group
62.3 USD mn

Management

GRI 3-3

En+ Group cares about the well-being of people living in the regions where it operates, contributing to addressing the social and economic challenges they may face.

GRI 2-29

The primary document governing the Group's efforts within its areas of responsibility is the Stakeholder Engagement Policy. The document formalises the core principles and procedures for liaising with government bodies, local communities, non-profit organisations (NPOs), and Company employees, who are also part of local communities.

GRI 413-1 SASB EM-MM-210a.3

The Company's social investment initiatives encompass developing social and urban infrastructure, providing accessible and high-quality education and healthcare, and promoting culture and sports. The Company identifies the focus areas for its social initiatives at the local level, aligning them with the voices and interests of the residents within its areas of responsibility. The Group conducts an annual social survey to identify local issues for subsequent development of programmes to address them. En+ Group also routinely hosts forums and meetings with local community members and actively engages local communities on the Company's volunteer initiatives.

People

Sustainable Cities Responsibility Index

En+ Group's Power and Metals segments evaluate the performance of social projects using the Sustainable Cities Responsibility Index analytical tool. It provides a framework for a comprehensive assessment of the appeal our regions of operation have as a place to work and live, enables the identification of pressing issues, and helps set objectives for the development of local communities and robust engagement with municipal authorities.

In 2023, the Index covered 42 cities and municipalities, with the respondent base exceeding 5,000 individuals from the regions where the Metals segment operates and over 2,500 people from the cities and municipalities within the Power segment's footprint. Based on the survey findings, the Sharypovsky District of the Krasnoyarsk Territory, Nizhny Novgorod, and Krasnoyarsk emerged as Index leaders owing to their balanced development. These regions boast the highest quality of life and area improvements, including dimensions such as the availability of affordable housing, decent levels of income, diverse job opportunities in the labour market, and robust healthcare and education systems.

The Index also facilitated the identification of areas for improvement specific to the surveyed locations. Specifically, the following issues were identified in the lagging cities and municipalities: unemployment stemming from limited career prospects; low accessibility and quality of medical services, education, and transportation; polluted air and water; frustration with municipal solid waste management; elevated public safety concerns; lack of infrastructure for leisure and recreation; and population outflow. Through identification of problem areas, En+ Group is able to better allocate community investments to improve living standards in its operating regions.

By 2025, the Group intends to allocate 100% of its social investments in the regions of operation based on measurable metrics derived from the Sustainable Cities Responsibility Index methodology.

GRI 203-2

En+ Group respects the rights of local communities and is committed to promoting their social and economic well-being.
Thus, during the hiring process, local hiring is prioritised. Candidates from other regions are only considered if the skills and competencies matching the En+ Group's requirements and standards are not available locally.

Settlement	Region	Total Index score	ENVIRONMENT: Urban environment	ENVIRONMENT: Housing conditions	ENVIRONMENT: Local environmental conditions	ENVIRONMENT: Health	POTENTIAL: Education	POTENTIAL: Decent work	POTENTIAL: Mobility	POTENTIAL: Civil rights	VALUES: Community	VALUES: Public safety	VALUES: Decent leisure opportunities	VALUES: Satisfaction
Sharypovsky District	Krasnoyarsk Territory	64	56	75	65	67	61	40	61	77	87	59	90	41
Nizhny Novgorod	Nizhny Novgorod Region	62	73	57	68	59	50	70	60	61	59	72	61	74
Krasnoyarsk	Krasnoyarsk Territory	58	65	65	70	58	47	69	39	69	35	61	62	63
Sayansk	Irkutsk Region	55	82	66	74	50	52	34	51	74	44	64	61	70
Irkutsk	Irkutsk Region	54	47	60	44	66	27	76	46	58	41	54	40	45
Volgograd	Volgograd Region	53	36	47	64	59	52	41	42	74	50	54	49	68
Krasnoturyinsk	Sverdlov Region	53	66	59	53	50	61	29	55	66	40	70	60	70
Kandalaksha	Murmansk Region	52	50	52	63	50	64	42	65	64	39	49	81	41
Sayanogorsk	Republic of Khakassia	52	26	59	70	49	54	45	43	59	55	63	42	45
Boguchansk District	Krasnoyarsk Territory	52	38	53	41	64	51	43	60	57	17	69	61	54
Novokuznetsk	Kemerovo Region	51	49	47	59	56	43	45	73	46	40	47	69	51
Angarsk	Irkutsk Region	50	58	50	63	51	43	43	54	65	31	60	55	56
Ust-Ilimsk	Irkutsk Region	50	15	52	79	49	61	47	42	54	33	58	36	45
Kamensk-Uralsky	Sverdlov Region	50	61	64	47	40	51	35	51	59	44	60	75	66
Irbeyskoye Village	Krasnoyarsk Territory	49	24	77	65	50	45	33	45	64	17	50	86	50
Bratsk	Irkutsk Region	49	28	52	71	45	43	54	61	64	22	65	35	53
Shelekhov	Irkutsk Region	48	36	52	59	57	42	42	52	58	26	62	24	51
Tayozhny Settlement	Krasnoyarsk Territory	48	43	55	56	45	40	67	22	71	26	64	12	59
Divnogorsk	Krasnoyarsk Territory	48	54	48	55	45	47	30	67	54	43	47	48	78
Achinsk	Krasnoyarsk Territory	48	38	46	60	47	62	43	41	59	34	58	51	44
Cheremkhovo	Irkutsk Region	47	54	52	43	63	33	26	51	52	34	52	47	59
Severouralsk	Sverdlov Region	47	26	73	61	43	51	21	63	56	28	79	37	49
Chita	Trans-Baikal Territory	47	33	44	53	53	43	56	58	45	42	48	30	33
Cheremkhovsky District	Irkutsk Region	47	36	45	46	36	59	27	52	59	64	42	77	66
Tulun	Irkutsk Region	46	39	47	61	57	44	21	47	59	37	31	66	50
Zheleznogorsk-Ilimsky	Irkutsk Region	46	20	47	60	53	51	37	42	35	30	55	57	37
Kyzyl	Tyva Republic	46	24	42	41	58	39	40	56	53	47	41	28	41
Baikalsk	Irkutsk Region	45	n/a	41	71	62	53	32	41	18	11	22	69	43
Ulan-Ude	Republic of Buryatia	44	n/a	25	52	n/a	17	54	74	60	75	57	41	22
Nizhneudinsk	Irkutsk Region	44	23	31	58	57	34	30	70	50	29	21	54	67
Sorsk	Republic of Khakassia	44	22	57	28	46	40	13	59	36	67	47	54	69
Taishet	Irkutsk Region	43	23	41	50	57	28	35	26	70	38	43	33	43
Belogorsk	Kemerovo Region	43	7	58	54	51	28	46	73	62	12	54	39	10
Algatuy	Irkutsk Region	42	36	46	34	n/a	33	10	78	57	34	54	75	69
Usolye-Sibirskoye	Irkutsk Region	40	30	50	61	37	37	40	28	53	20	41	45	48
Ziminsky district	Irkutsk Region	40	23	55	60	45	45	24	29	44	22	13	80	30
Nadvoitsy	Republic of Karelia	40	0	55	57	36	35	18	54	61	44	27	51	53
Krasny Chikoy	Trans-Baikal Territory	39	17	32	43	43	66	33	37	51	27	17	71	23

Note: the score is from 0 to 100, where 0 is the lowest score, 100 is the highest score.

En+ Group social investment and project management structure

GRI 2-13

Strategy

Development of infrastructure and urban environment

GRI 203-1

En+ Group is focused on improving and developing the regions and cities where it operates. The Company is working on improving electricity supply and invests in projects to develop and improve urban areas, including through public-private partnerships (PPP) initiatives. In 2023, En+ Group, the Irkutsk Region government, and the Irkutsk Region Development Corporation signed an agreement to roll out the Regional Investment Standard.

Infrastructure projects implemented in 2023

Project	Objective	Investments	Outcomes
Power segment			
Improving electricity supply	Ensuring local residents have access to reliable and high-quality energy supply		En+ Group delivered on its promise to open five new substations in Irkutsk and the Irkutsk and Shelekhov Districts. In 2023, thousands of customers benefitted from improved electricity supply
PPP projects	Improving the Irkutsk Region infrastructure through project co-financing		En+ Group co-financed 46 PPP projects. A skate park was opened in Bratsk. Investments will help start the construction of over 25 public transport stops and improve 20 public spaces. Additionally, road sections, including pedestrian areas and lighting systems, will be repaired, and equipment for social infrastructure facilities will be provided
Metals segment			
Public parks	Improving public park areas	RUB 482 mn (USD 5.6 mn)	The Troitsky Park renovation project was completed in Achinsk, with progress made on the renovation projects for the Central Park in Krasnoyarsk and the public park in Taishet

Environmental project grant competition

In 2023, the competition was held for the fourth time. Bratsk joined the participating regions, and a new category, Baikal without Plastic, was added. A record 211 applications were received, with 21 projects eventually approved for support. A combined total of 21 offline and online events were delivered, including four training webinars attended by 355 people.

The competition's primary objectives include promoting the En+ Group brand as a socially oriented business, fostering loyalty among local residents across the Company's footprint, and building local sustainable communities. Local communities cite the strong educational thrust of the competition and the dedicated, in-depth advisory support provided at every step of the competition.

In 2023, a record nine eco-trail improvement projects were completed, five of which involved the construction of scenic and comfortable picnic areas.

People

Support for environmental projects

GRI 203-2, 413-1

En+ Group strives to both mitigate the environmental impact of its operations and implement environmental protection initiatives through volunteer engagement and partnerships with non-profits and national parks. Initiative participants contribute to maintaining the natural state of nature reserves, restoring eco-trails, collecting and sorting waste, and planting trees. En+ Group engages with NPOs, activists, and local communities to organise annual environmental, scientific, and educational events.
In partnership with Pribaykalsky National Park and Krasnoyarsk Pillars National Park, the Company facilitates educational programmes focused on environmental conservation.

Environmental projects implemented in 2023

Project	Objective	Investments	Outcomes
Power segment			
Environmental project grant competition	Preserving aquatic ecosystems and biodiversity and maintaining the ecological balance of natural areas within En+ Group's areas of responsibility		Winners were selected across the competition's six categories, including Local Initiatives, Pooling Resources, Sharing Expertise, Science and Practice, and Sustainability Commitment. Grants of up to 600 RUB thsd (7 USD thsd)[1] were awarded to 21 projects out of a record 211 applications received.
Ecological and educational volunteer camps	Promoting a sense of environmental responsibility among employees and their children	RUB 1 mn (USD 11.7 thsd)	In collaboration with the Krasnoyarsk Pillars National Park, En+ Group held various events for Krasnoyarsk HPP employees and their children, including children's environmental and educational trips, children's environmental holidays, and family environmental and educational outings. A total of 55 people participated in the programme.
Metals segment			
River Day Marathon annual environmental initiative	Cleaning the banks of rivers and other water bodies within areas of responsibility		A total of 37 tonnes of waste were collected, sorted, and properly disposed of.
Green Wave traditional environmental initiative	Running urban greening initiatives selected based on the findings of the Sustainable Cities Responsibility Index study		Over 1,240 individuals from 18 cities participated in the event.

1 Calculated based on the average USD/RUR exchange rate of 85.25 for 2023

Energized for action

Project 360 environmental volunteer initiative

Project 360 environmental volunteer initiative is an integral part of En+ Group's comprehensive programme World with a Plus Sign focused on protecting Lake Baikal and protected areas from negative environmental impacts. The Project's history dates back to 2011 when 100 employee volunteers gathered together to clean up the shores of Lake Baikal.

The project's reach and geographical coverage have expanded significantly since launch.

OVER THE PAST 13 YEARS:

>158 thsd people — became environmental volunteers

4,669 t of waste — was collected and properly disposed of in various regions of Russia

+ — thousands of volunteers, hundreds of organisations, and dozens of municipalities joined the movement

Aside from annual large-scale clean-ups, Project 360 volunteers are engaged in installing eco-trails, planting trees, improving tourist infrastructure, and maintaining protected areas.

THE PROJECT IS RUN IN THREE DIFFERENT FORMATS

1. Environmental campaigns in host cities – Irkutsk, Bratsk, Ust-Ilimsk, Divnogorsk, Miass, and Nizhny Novgorod. In 2022 and 2023, the campaign was also run in Severobaykalsk, Ulan-Ude, and Krasnyj Chikoj In the reporting year, it took place for the first time in Tulun and Cheremkhovo
2. An online marathon for those seeking to adopt eco-friendly lifestyle.
3. The traditional clean-up at Lake Baikal, supported by En+ Group, involves municipalities situated in close vicinity to the lake in the Irkutsk Region and the Republic of Buryatia.

PROJECT 360 RESULTS IN 2023

6,037 participants — including 2,244 participants across 11 En+ Group host cities (Irkutsk, Bratsk, Ust-Ilimsk, Divnogorsk, Miass, Nizhny Novgorod, Ulan-Ude, Severobaykalsk, Krasnyj Chikoj, Tulun, and Cheremkhovo)

2,080 participants — joined the online marathon designed for individuals seeking to adopt eco-friendly lifestyle

1,713 residents — the traditional clean-up event at Baikal brought together in the Irkutsk Region and the Republic of Buryatia

100,746 kg — The total amount of litter collected and sorted stood

People

Support for education

GRI 203-2

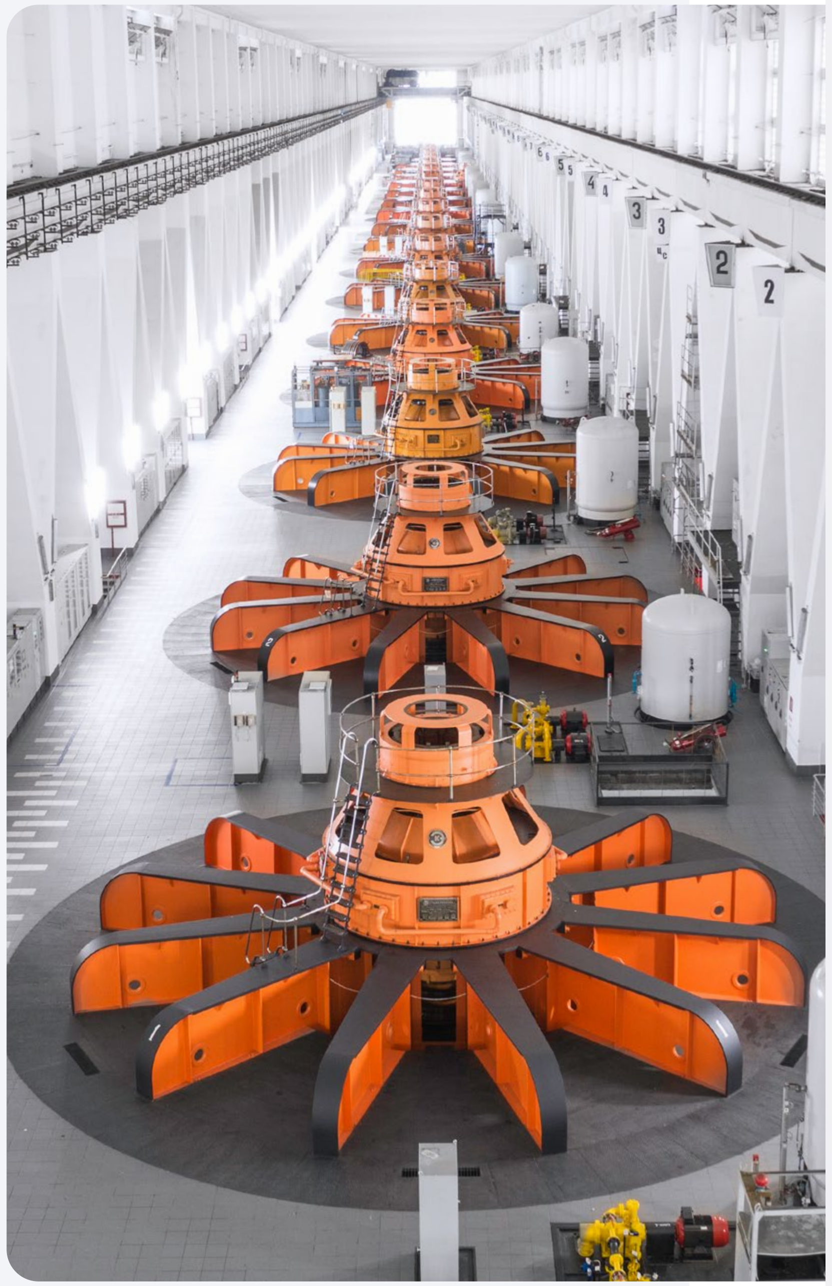
One of En+ Group's social policy priorities is promoting education in its operating regions as well as ensuring its accessibility and quality. The Company strives to enhance the skills and competencies of both its employees and future young talent, including students from schools, secondary specialised colleges, and universities. En+ Group's investments in education are made through various projects, including the Energy Lab and IT Academy for additional professional training as well as through olympiads and scholarships awarded to talented school and university students. In addition, the Company offers targeted support to educational institutions and actively participates in forums and career fairs.

Energy in Every Drop

As part of an umbrella programme to promote education across En+ Group's operating regions, the Company developed an educational and methodological course themed Energy in Every Drop. It uses robotics kits to introduce students from grades 5 to 9 to the basic principles of hydropower plant operation. The project aims to present the job of a power engineer in an engaging educational format, highlighting its significance for the operation of production and social infrastructure facilities and thus spark an interest in students to pursue careers in this field.

The programme participants are invited to take part in training sessions, workshops, educational games, project-based courses, and robotics competitions.

At the end of 2023, the programme had over 180 registered participants, including educational institutions from 38 regions across Russia and cities such as Irkutsk, Bratsk, Ust-Ilimsk, Divnogorsk, Krasnoyarsk, Nizhny Novgorod, and Miass.



2023 HIGHLIGHTS

- 60 teachers and school students from 18 cities across Russia received training as part of the project's second education camp held on the shores of Lake Baikal
- Each participating teacher received a state-approved certificate of professional development confirming completion of the programme developed specifically for the camp
- A special hybrid webinar was organised to train teachers who could not attend

Educational projects implemented in 2023

Project	Objective	Investments	Outcomes
Power segment			
Energy School and Energy Classes	The Company offers career guidance for school students and free tutoring for the Unified State Examinations for admission to Siberian universities, focusing mainly on specialties required in the energy sector	RUB 6.727 mn (USD 78.9 thsd)[1]	A total of 1,293 individuals (1,171 students, 63 teachers, and 59 parents) have registered on the Energy School's portal. Over 100 schools in the Irkutsk Region are participating in the project. Between 2015 and 2023, a total of 379 people graduated from the Energy Classes programme, with 40 school students participating in the programme in 2023.
Multilabs	Establishing state-of-the-art centres for building and enhancing competencies in robotics, electronics, engineering design, and multimedia	Over RUB 83.9 mn (USD 984 thsd) over 2022–2023	En+ Group continued to implement its Multilab En+ project, hosting its second competition in 2023 and opening competency building centres in Bratsk, Angarsk, and Nizhny Novgorod. In total the Company has unveiled seven multimedia classrooms.
RoboSib robotics festival	Promoting robotics among young inventors aged 4 to 18 nationwide	RUB 23.2 mn (USD 272 thsd)	Scale: • 700 participants • 86 teams, with 52 achieving success as winners or runners-up across various categories • 4,000 attendees over the two days of the festival Ten teams received vouchers totalling 100,000 RUB thsd (1,200 USD) for purchasing robotics equipment, while seven teams were awarded with trips to the All-Russian finals of the FIRST ROBOTICS CHAMPIONSHIP—Yekaterinburg 4.0. As part of the event, 130 teachers from the Irkutsk Region attended workshops on new AVRORA Robotics solutions.
Retiree course	Assisting older people with navigating online services		A record number of retirees in the Irkutsk Region enrolled in the Granny Online course offered by Irkutskenergosbyt as part of the city's Active Ageing project, with nearly 700 participants.
Metals segment			
RUSAL FestivAL#Science 2023	Unlocking the potential of school students in En+ Group's operating regions		Platforms were set up for assembling quadcopters, testing augmented reality technologies, and other activities. Participants: school students from 13 cities.

1 Calculated based on the average USD/RUR exchange rate of 85.25 for 2023

HEALTHY LIFESTYLE

People

Support for sports and healthy lifestyle

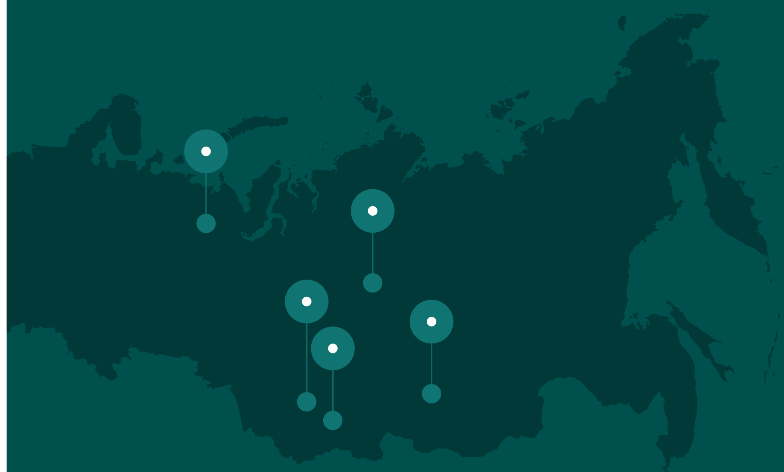
En+ Group strongly promotes healthy lifestyles among its employees, their families, and local communities. The Company invests in both amateur and professional sports development, provides financial support to professional sports teams, and implements sports infrastructure projects.

Get on Your Skis

A joint project between the Power and Metals segments

In 2023, our large-scale sports project Get on Your Skis celebrated its 7th birthday. Since 2016, En+ Group, with the support of the Russian Ski Racing Federation, has been developing and promoting ski racing as one of the most accessible sports.

In terms of geography, the project covers the Komi and Khakassia Republics, Krasnoyarsk Territory, and the Irkutsk and Kemerovo Regions. Local residents from the Nizhny Novgorod, Sverdlovsk, Chelyabinsk, Sakhalin, and Novosibirsk Regions, Perm and Primorye Territories, as well as the Republic of Sakha (Yakutia).



THE PROJECT IS RUN ACROSS FIVE MAIN AREAS

1

GET ON YOUR SKIS CHAMPIONSHIP

The annual cross-country ski championships are open to athletes aged between 13 and 16. The championship is divided into three stages—two preliminary rounds followed by the final—and attracts over 1,500 participants annually.

In 2023, the championship final took place in Krasnoyarsk.

350 athletes

from 14 regions

>500 thsd people

viewers tuned in to watch the live broadcasts of the competitions

2

GET ON YOUR SKIS FESTIVAL

The festival is held annually in different cities of Russia and is open to all individuals.

During the 2022–2023 ski season, over 10,000 people from 23 cities participated in the festival. They were offered contests, mass ski races, and entertainment programmes for children and adults.

>10 thsd people

from 23 cities participated in the festival

3

SCHOOL PROJECT SKIING AT SCHOOL

The initiative was launched in 2022 in Angarsk, Irkutsk Region, and Divnogorsk, Krasnoyarsk Region. In line with its purpose, local schools have integrated compulsory physical education ski classes into their curricula. These lessons are hosted by certified coaches on prepared ski tracks, with bus transportation provided to school students.

Between 2022 and 2023, 625 ski sets, two snowmobiles, and six drying units were acquired. Over 5,500 school students are participating in the project.

4

BEST SKI COACH OF THE YEAR COMPETITION

Since 2019, the competition has been held annually to recognise the top children's and youth cross-country ski coaches. The winners receive a monthly stipend for the season, ski equipment, and access to career enhancement courses.

In 2022–2023, the competition expanded nationwide, covering 25 regions of the country selected based on performance in the previous season.

5

DEVELOPMENT OF SKI INFRASTRUCTURE

To create comfortable conditions for ski racing, En+ Group constructs and renovates ski tracks and facilities and supplies equipment for their maintenance. In recent years, the ski facilities at the Divnogorsk Technical College of Forest Technologies have been revamped.

RUB **35** mn

the total investment reached 410.5 USD thsd

Sports and healthy lifestyle promotion projects implemented in 2023

Project	Objective	Outcomes
Sokol martial arts centres	Supporting the development of martial arts in the operating regions, enhancing the quality of life in small towns by providing beneficial recreational opportunities to children and young adults	Investments were directed towards constructing and expanding martial arts centres (MAC). At the end of 2023, there were three centres in operation, there are plans to open an additional 7 MAC.

People

Promoting culture

To promote culture across its footprint, En+ Group supports external cultural events, runs its own initiatives, and allocates funds towards the development of cultural and artistic institutions.

In 2023, the Group continued its support for the Baikal Dance Festival by acting as a partner of the event. Guests and participants of the festival were treated to the exclusive Ballet on Baikal: Buryatia programme that took place in the Peski special economic zone in the Pribaykalsky District. Aside from its cultural dimension, the event's key goal is to raise public awareness about the imperative need to conserve and safeguard Lake Baikal's unique natural treasures.

Volunteering

Integral to En+ Group's social policy and community engagement is the active involvement of volunteers, including both employees and non-employees, in social and environmental initiatives. With this in mind, En+ Group is strongly focused on fostering a culture of volunteering and engaging people on addressing the social challenges our regions face. The Metals segment runs volunteer initiatives as part of the Helping is Easy programme, which introduces technologies to involve local communities in social-impact activities.

Volunteer projects implemented in 2023

Project	Objective	Outcomes
Power segment		
World With a Plus Sign	Protecting Lake Baikal and protected areas from negative environmental impacts	Key outcomes of the World with a Plus Sign programme so far include: • as part of the environmental project grant competition, the programme successfully implemented 81 initiatives, providing training to 1,700 activists. Additionally, over 100 environmental events and 13 scientific expeditions were organised • a remarkable 158,000 volunteers participated in the Project 360 initiative • in collaboration with NPOs, we installed 12 km of eco-trails and collected over three tonnes of clothes for those in need
Metals segment		
Helping is Easy programme	Promoting corporate and community volunteer initiatives	A sociological survey was conducted to determine employee attitudes towards volunteering and the recognisability of the Company's social projects. 691 people took part in the survey.

Charity

The Company supports local communities in its operating regions through targeted assistance to those in need. En+ Group's charitable efforts target the most vulnerable segments of the population, including adults and children with special needs, orphaned children, and low-income families.

The Metals segment provides charitable assistance across all countries where it operates. As an illustration, in 2023, the Company offered aid to victims of the explosion at an oil terminal in Conakry, Guinea. Medical supplies and personal protective equipment for healthcare workers were supplied to local hospitals.

The World with a Plus Sign programme won the People Are Key award

In 2023, En+ Group's efforts were recognised with an award at the People Are Key All-Russian Corporate Projects Competition. The judging panel praised the World with a Plus Sign initiative as one of the best ESG and CSR projects, awarding it the Natural Heritage Conservation Award.

People

Risk management

En+ Group's current list of key risks does not include risks associated with the impact of its operations on local communities. Potential risks may involve violations of the rights of local communities resulting from the Company's operations. To mitigate these risks, En+ Group regularly organises forums and meetings with local communities to discuss its projects and works to develop feedback mechanisms.

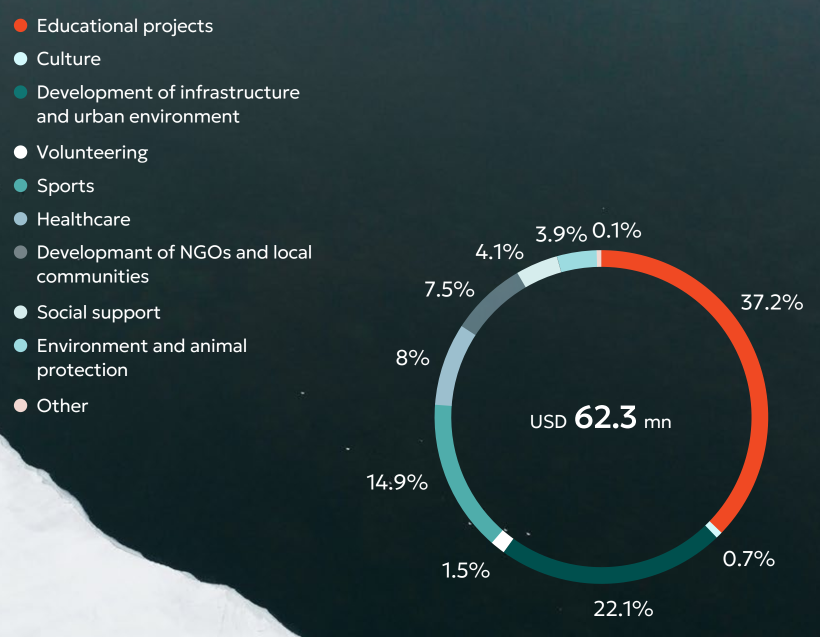
For more details on risks, see the Internal Control and Risk Management section on page 200.

Metrics and targets

EVERY YEAR, EN+ GROUP SETS OBJECTIVES FOR COMMUNITY INVESTMENTS AND ENGAGEMENT

GOALS	STATUS	PROGRESS made in 2023
• Expand social initiatives and engagement with stakeholders, including fostering robust dialogue with youth and work councils and partnering with NGOs and national parks	• Achieved	• The Group implemented infrastructure projects through partnerships with local authorities, environmental projects in partnership with national parks, and social initiatives through partnerships with NPOs
• Develop innovative tools to engage local community members through workshops, task-based activities, games, etc.	• Achieved	• The Group implemented environmental volunteer projects, engaging communities in its operating regions through interactive events and innovative communication channels, including chatbots
• Commission several sports infrastructure facilities, including a football pitch and a multi-use track for bicycles, kickscooters, and skateboards	• Achieved	• The Metals segment opened several new martial arts centres in host cities • A new skate park was opened
• Expand the volunteer movement	• Achieved	• Over 5,000 volunteers participated in our initiatives
• Align 100% of community investments with the Sustainable Cities Responsibility Index methodology as part of the Metals segment's transformational project	• On track	• The methodology of the Local Community Life Quality and Sustainable Development Index has been incorporated into the Company's system for assessing, planning, and implementing social investments

Social investments in 2023



When implementing projects to support local communities, En+ Group prioritises those that promote and support social initiatives and programmes contributing to long-term goals. Project funding is allocated by the Company through a transparent and competitive process, ensuring equal opportunities for all participants and beneficiaries of the programmes.

PLANS FOR 2024 AND BEYOND

1. Implement projects in accordance with the Sustainable Cities Responsibility Index
2. Develop digital technology programmes tailored for school and university student
3. Continue holding the Energy Lab competition to source promising innovations for integration into En+ Group's operations and to ensure the implementation of at least three finalist solutions
4. Continue with the Energy School and Energy Classes projects while expanding the participant base

2024

Governance

Corporate governance

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

INTERNAL REGULATIONS

- Regulations on the Board of Directors
- Corporate Code of Ethics
- Board of Directors Diversity Policy

MATERIAL TOPIC

- Corporate governance

8 out of 12 directors

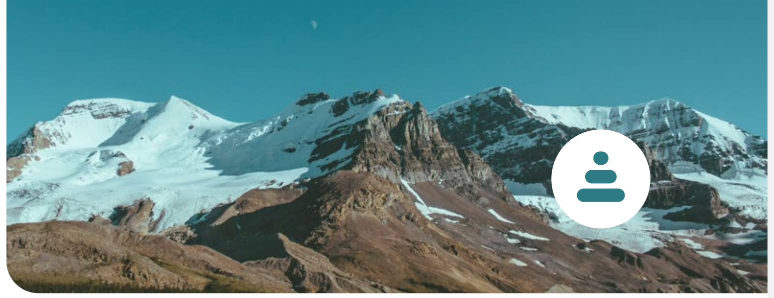
are independent and non-executive

12

directors on the Board[1]

6 Board committees

All Board committees are chaired by independent non-executive directors



GOALS	STATUS	PROGRESS made in 2023
To conduct self-evaluation and independent evaluation of the Board of Directors, its members, and committees in order to assess the Board's performance	On track	Independent evaluation of the Board's performance in 2023 was conducted
To arrange for professional advanced training of Board members, which was cancelled or postponed due to the COVID-19 pandemic and the geopolitical situation	On track	The planned training session on sanctions compliance was conducted in October 2023 as part of an off-site strategy session

1 As at the date of this Report.

GRI 3-3

The Company is committed to high standards of corporate governance. The Group intends to further improve its performance in this area and to adhere to internationally recognised standards of corporate governance, transparency, disclosure, and accountability applicable to listed companies.

The Company overhauled its corporate governance practices after OFAC imposed sanctions on the Company and its subsidiaries on 6 April 2018 and subsequently lifted them on 27 January 2019. With these amendments, the Company has proven its commitment to stringent international standards of corporate governance.

In accordance with the Barker Plan[2] and the conditions for removing the Company from OFAC's Specially Designated Nationals List (SDN List), on 28 January 2019, the Company announced the immediate appointment of seven new independent non-executive directors.

On 8 February 2019, Lord Barker was appointed Executive Chairman of the Board and Christopher Burnham was appointed Senior Independent Director.

Lord Barker's appointment came with additional powers and responsibilities designed to enhance the control exercised by the Board over the corporate governance systems and procedures in place at the Company. The appointment was meant to further increase collaboration between the Board and management to drive the Company's continued success.

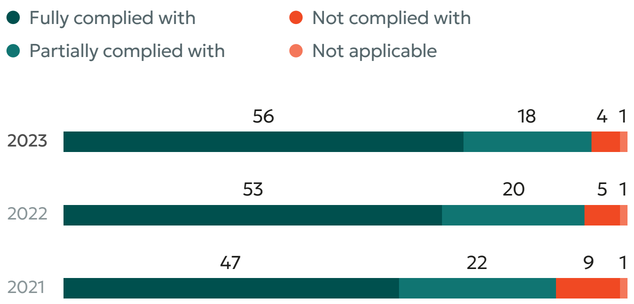
As an international company[3], En+ Group aims to comply with the recommendations of the Russian Corporate Governance Code insofar as appropriate and practicable in the Group's context. In corporate governance, the Company is also guided by the Listing Rules of Moscow Exchange.

As a company incorporated in Russia, with GDRs listed on the Official List of the UK Financial Conduct Authority and admitted to trading on the Main Market of the London Stock Exchange[4],the Company is not required to comply with the provisions of the UK Corporate Governance Code. The Company has nonetheless chosen to comply with the UK Corporate Governance Code insofar as appropriate and practicable in the Group's context.

We consider the following corporate governance principles to be fundamental to our operations:

- Transparency
- Open and clear decision making
- Legal compliance, including clear and robust compliance with requirements for the Company to be and remain clear from OFAC's sanctions
- Ongoing growth in the Company's value for the benefit of all stakeholders

Compliance with the recommendations and principles of the Bank of Russia's Corporate Governance Code



For more details on compliance with the recommendations and principles of the Corporate Governance Code, see Appendix No. 1.

2 Lord Barker's plan for lifting OFAC's sanctions from the Company was announced on 27 April 2018 and subsequently approved by the Board of Directors on 18 May 2018. The plan envisaged reducing Mr. Deripaska's shareholding to below 50% and appointing a number of new Directors so that the majority of new directors on the Board were independent. Further details of the Barker Plan were disclosed, in particular, in the Company's Annual Report 2018, available on the Company's website at https://enplusgroup.com/en/investors/results-and-disclosure/annual-reports/.
3 As defined by Federal Law No. 290-FZ On International Companies and International Funds dated 3 August 2018.
4 Trading in the Company's global depository receipts on the Main Market of the London Stock Exchange was suspended on 3 March 2022.

Governance

Maintaining high standards of corporate governance is key to attracting new investment, strengthening the Group's competitive position, and boosting shareholder value. Good governance is based on the clarity of roles and responsibilities, and the Company aims to ensure that its governance procedures are applied at all levels of decision making across the Group.

The Company's corporate governance system outlines the relationship between the Company's shareholders, the Board, and the CEO, as well as the roles and responsibilities of the Board committees.

The Company's Board of Directors is responsible to all of the Group's stakeholders for the strategic management of the Company. The day-to-day management of the Company falls within the remit of the CEO[1]. However, the Board retains responsibility for the approval of certain matters which affect the nature and profile of the Company's risks (see details below).

GOVERNANCE CHANGES IN 2023

- **3 April 2023**
  James Schwab was elected to the Board.
- **29 June 2023**
  The Annual General Shareholders Meeting re-elected all Board members except for Elena Nesvetaeva and Timur Valiev and elected Anastasia Gorbatova and Andrey Plugar.

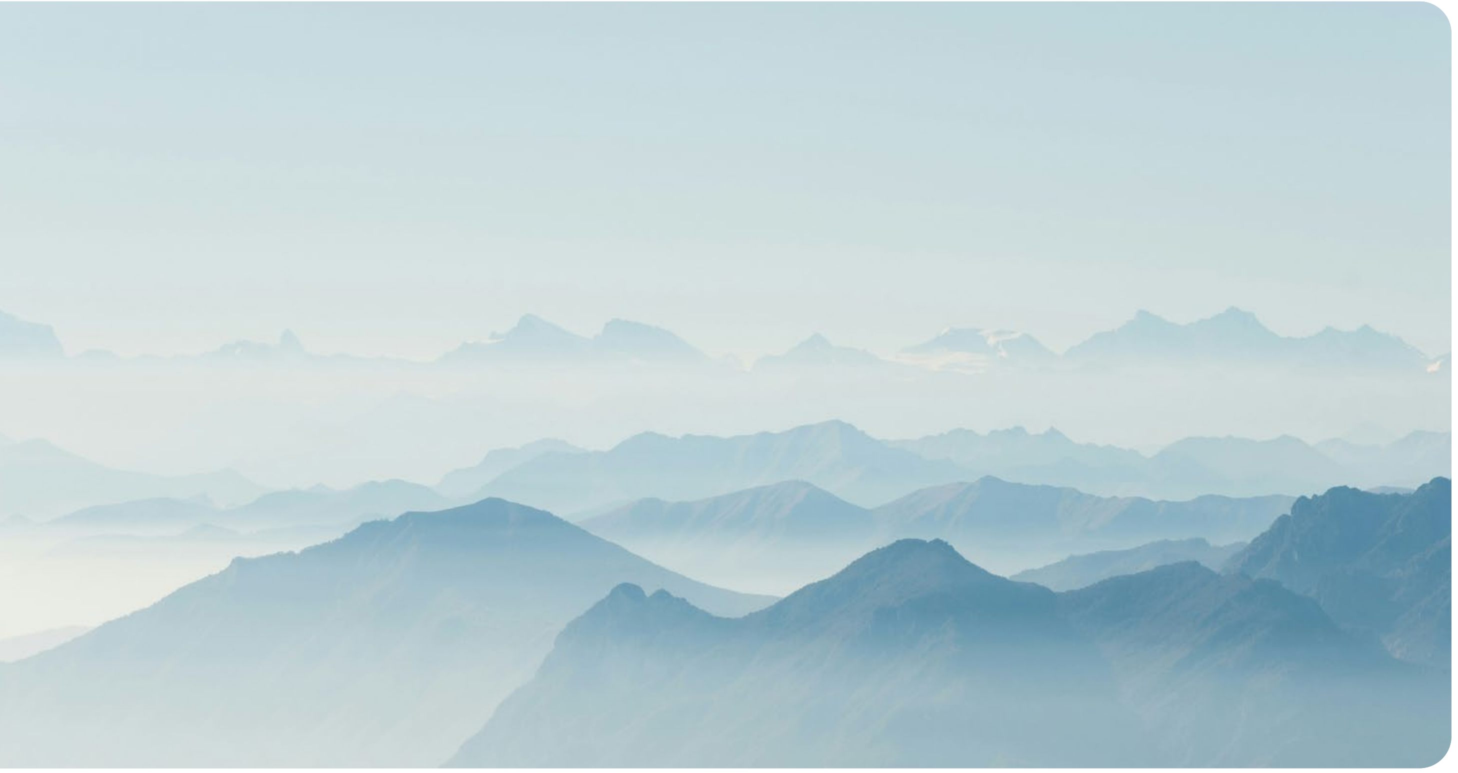
In 2023, the Company did not record any:

GRI 2-27

- instances of unethical behaviour of Board members or the CEO

GRI 2-15

- conflicts of interest involving Board members or the CEO



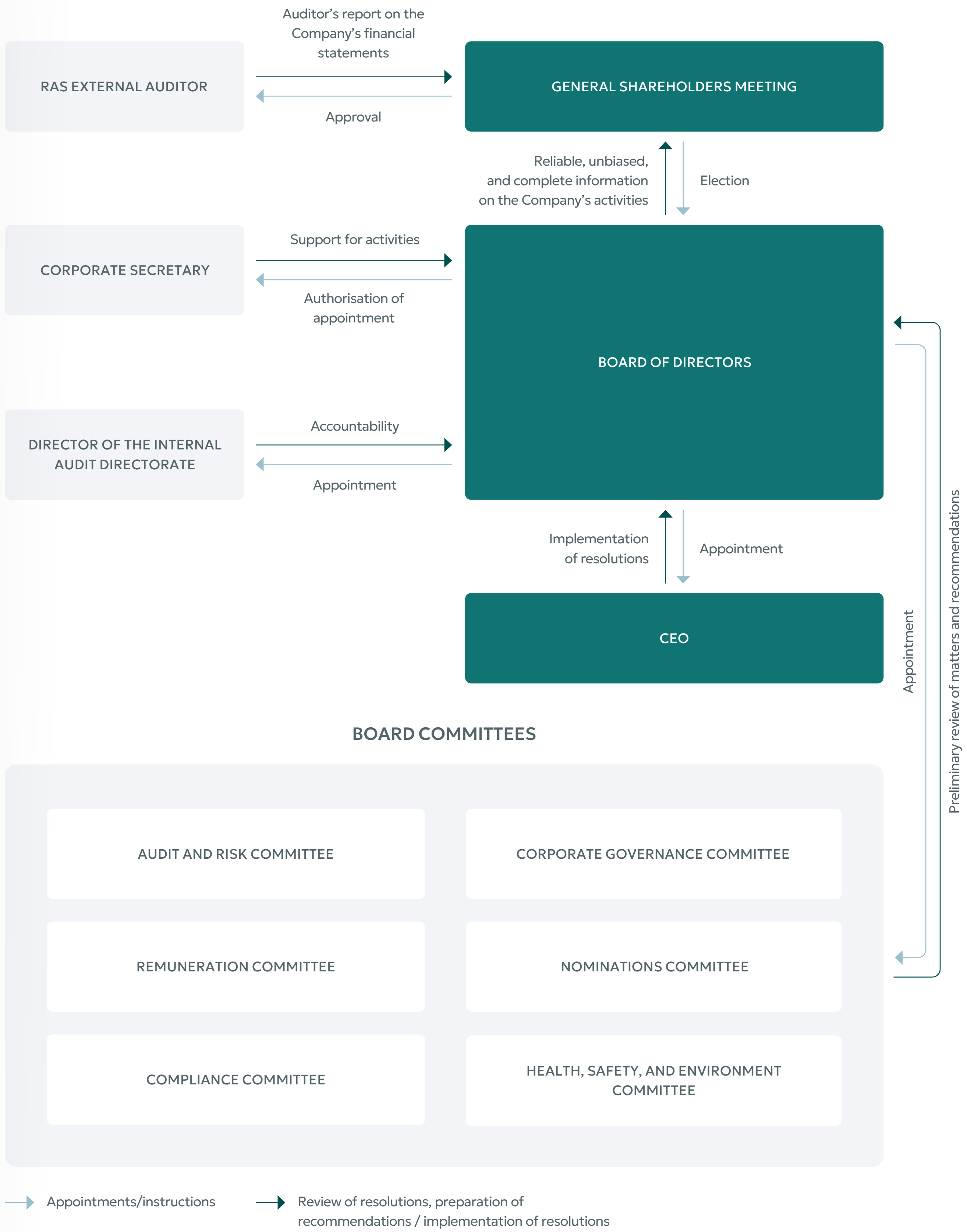
1 The Charter contains the term "General Director", which is used interchangeably with the term "CEO" in public disclosures made by the Company.

Corporate governance structure

GRI 2-9, 2-13

The Company's corporate governance structure includes the following key elements:

1. General Shareholders Meeting
2. Board of Directors
3. CEO—sole executive body



Governance

General Shareholders Meeting

The General Shareholders Meeting (the "GSM") is the highest governance body of the Company. The Charter details the matters that fall within the remit of the GSM.

Voting at a GSM is conducted on the basis of the "one share, one vote" principle. Resolutions are generally passed by a simple majority of shareholders voting in favour of a motion at the meeting, save for a number of matters which, under the Charter, require a special resolution (i.e. voting by a 2/3 majority), including:

- amendments and additions to the Charter or approval of the restated Charter
- change in the Company's status to non-public or obtaining public status
- reorganisation of the Company by way of merger, consolidation, spin-off, or transformation
- liquidation of the Company
- split, conversion, or consolidation of Company shares
- acquisition by the Company of outstanding shares
- increase or reduction in the Company's share capital.

The GSM is quorate if attended by shareholders holding in aggregate more than 50% of outstanding voting shares in the Company.

If a quorum required for holding an Annual GSM is not met, the GSM shall be reconvened at a later date with the same agenda. If a quorum required for holding an Extraordinary GSM is not met, the GSM may be reconvened at a later date with the same agenda. A reconvened GSM is quorate if attended by shareholders holding in aggregate no less than 30% of outstanding voting shares in the Company.

Resolutions of the GSM may be adopted either by holding a meeting in person or by absentee voting.

If the agenda of a GSM includes matters relating to the election of the Board of Directors, approval of the Company's auditor for the accounting (financial) statements prepared in accordance with Russian Accounting Standards (RAS), or approval of the Company's Annual Report and annual accounting (financial) statements, it may only be held in person. However, due to the COVID-19 pandemic, from 2021 to 2024, Russian joint stock companies were allowed[1] to hold GSMs with the above-mentioned agenda items by absentee voting.

An Extraordinary GSM may be held based on a resolution of the Board either adopted on its own initiative or at the request of a shareholder (shareholders) holding no less than 10% of voting shares in the Company as at the date of the request. An Extraordinary GSM convened at the request of a shareholder (shareholders) holding no less than 10% of voting shares in the Company shall be held within 50 days of the date of the request to convene the extraordinary GSM.

Information (materials) to be provided to persons entitled to attend the GSM should be made available no later than 20 days before the GSM, and if the GSM agenda includes a proposed reorganisation of the Company, no later than 30 days before the GSM.

Annual GSM

The Annual GSM must be convened by the Board of Directors between 1 March and 30 June of each year, with the following agenda items:

- The election of Board members
- The approval of the Company's auditor for the accounting (financial) statements prepared in accordance with RAS
- The approval of the Company's Annual Report
- The approval of the Company's annual accounting (financial) statements
- The distribution of profits, including the payment (declaration) of dividends, except for the payment (announcement) of interim dividends

The Company's shareholders holding in aggregate at least 2% of voting shares in the Company may no later than 30 days from the end of the reporting year propose items for the agenda of the Annual GSM and candidates for election to the Board.

1 In accordance with Federal Law No. 17-FZ dated 24 February 2021, Federal Law No. 25-FZ dated 25 February 2022, Federal Law No. 519-FZ dated 19 December 2022, and Federal Law No. 625-FZ dated 25 December 2023.

Report on meetings held during the year

In 2023, the Annual GSM of the Company was held on 29 June by absentee voting, attended by shareholders holding 84.4105% of votes between them.

The Annual GSM considered and passed the following resolutions:

1. To approve the Company's Consolidated Annual Report 2022
2. To approve the Company's annual accounting (financial) statements for 2022
3. Not to distribute the Company's net profit for 2022 and not to pay dividends on shares for 2022
4. To elect the Company's Board of Directors, consisting of 12 members, from the list of candidates approved by the Board:
   - Christopher Burnham
   - Lyudmila Galenskaya
   - Vadim Geraskin
   - Anastasia Gorbatova
   - Thurgood Marshall Jr.
   - Andrey Plugar
   - J. W. Rayder
   - Olga Filina
   - Zhanna Fokina
   - Andrey Sharonov
   - James Schwab
   - Andrey Yanovsky
5. To approve Centre for Audit Technologies and Solutions—Audit Services as the Company's auditor for the accounting (financial) statements prepared in accordance with Russian accounting legislation.

Governance

Board of Directors

The Board adheres to the consistent approach that it aims to create a long-term value for the Company by supporting the balance between short and long-term objectives.

BOARD RESPONSIBILITIES

The matters specifically reserved for the Board under the Charter include, inter alia, the following:

1. Determination of the priority areas for the Company's activities
2. Approval of the Company's long-term strategy and objectives, as well as its overall management mechanism
3. Day-to-day control over the implementation of the Company's long-term strategy and objectives
4. Approval of consolidated annual budgets and material amendments thereto
5. Control over the Company's core business, regular evaluation of the Company's performance in the context of its long-term strategy and objectives, and discharge of obligations contemplated by law and the Charter
6. Convening of Annual and Extraordinary GSMs
7. Establishment and termination of committees, commissions, councils, and other structural units of the Board of Directors, approval of their personnel composition and regulations governing their activities
8. Approval of the Company's internal documents (or making amendments or additions thereto) on environmental protection, insurance, and risk management for the Company
9. Approval of the Company's dividend policy
10. Approval of certain transactions with a value exceeding 75 USD mn
11. Approval of share incentive plans and schemes for Company employees, as well as annual KPIs for the CEO
12. Approval of the Company's auditors (for financial statements prepared in accordance with IFRS or other internationally recognised rules)
13. Approval of the Company's register holder
14. Appointment of the Company's sole executive body (the CEO)

The Board of Directors has taken steps to ensure that Board members (in particular, non-executive directors) develop a better understanding of major shareholders' views on the Company. Directors, including the Chairman, have direct face-to-face contact with shareholders at regular investor meetings.

BOARD COMPOSITION AND ATTENDANCE AT MEETINGS

As at 31 December 2023, the Board consisted of 12 directors, including eight independent non-executive directors, one of them being the Chairman of the Board, and four non-executive directors. As at the date of this Report, the composition of the Board remains the same.

The high level of professionalism and solid track record of the Directors, coupled with a balanced Board composition, are intended to enhance the Board's performance.

GRI 2-10

The Nominations Committee proposes candidates to the Board of Directors based on various factors, such as independence, cultural and individual diversity, age, impeccable reputation, skills, qualifications, personal experience, knowledge of the Company's core businesses and business specifics, and willingness to devote sufficient time to discharging their duties as a Board member, with account of the existing composition, succession planning, and the needs of the Board and its committees. The directors' job descriptions are drafted based on these criteria.

Independent directors help put together an objective view of the Company's business and the strength of its strategy, provide constructive challenge, and bring to the Board and management an unbiased perspective on the state of risk management and internal controls, management's performance, as well as the strength of the Company's financial model and policies.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AS AT THE DATE OF THIS REPORT

Full biographies are available on the Company's website at enplusgroup.com/en/company/corporate-governance/board-of-directors/

Committee chair

A Audit and Risk Committee

C Compliance Committee

G Corporate Governance Committee

H Health, Safety, and Environment Committee

N Nominations Committee

R Remuneration Committee

A

THE HON. CHRISTOPHER BURNHAM

GRI 2-11

Chairman of the Board, Independent Non-Executive Director

Appointed: 27 January 2019
Appointed as Chairman of the Board: 25 March 2022

Christopher has a distinguished career in government, diplomacy, banking, and private equity. He is a globally recognised expert on reporting and transparency, having served as UN Under-Secretary-General for Management, Under Secretary of State for Management (acting), Assistant Secretary of State for Resource Management, and CFO of the US Department of State.

Christopher serves as Chairman of the Board of Directors and CEO at Cambridge Global Capital, which he co-founded. He is the former Vice Chairman and Managing Director of Deutsche Asset Management.

He completed Georgetown's National Security Studies Programme and graduated from Washington and Lee University and Harvard University, where he earned an MPA in 1990.

C R

OLGA FILINA

Non-Executive Director

Appointed: 15 December 2021

Olga has over 15 years of experience in internal control and compliance (including senior positions at Deloitte and KPMG).

Her primary areas of focus include complex fraud investigations, corruption investigations (including financial investigations and audits for compliance with the US Foreign Corrupt Practices Act (FCPA)), setting up and testing compliance functions, hotline outsourcing and support, and managing internal audit and internal control projects.

H G N

ZHANNA FOKINA

Independent Non-Executive Director

Appointed: 26 May 2021

Zhanna has an extensive track record in environmental regulatory and supervisory authorities.

Currently, she leads the environment department at RUSAL Krasnoyarsk. Zhanna is in charge of preparing and approving environmental reports, arranging for environmental monitoring, overseeing the execution of environmental initiatives, as well as supporting and conducting government environmental supervision activities.

Before joining RUSAL, she worked at Rosprirodnadzor (Federal Service for Supervision of Natural Resources) and in the pharmaceutical industry.

In 2009, she graduated from Siberian Federal University.

Governance

H N C

LYUDMILA GALENSKAYA

Independent Non-Executive Director

Appointed: 18 May 2022

Lyudmila started her career at Angarsk Polymer Plant, leading a team of 150 people. After she moved from Angarsk to Irkutsk, she secured a new job at Irkutskenergo. Currently, Lyudmila is responsible for ecology and environmental protection as the Head of the Environmental Safety and Rational Use of Natural Resources Service at Baikal Energy Company. She supports all of the company's environmental activities, engages with government authorities, and communicates with the entire company and all its branches. She ensures that the public is informed about the company's environmental efforts and participates in environmental events and discussions. She engages with the media on environmental matters and actively shares experience with all environmental safety teams within the Group. She is open to new ideas and participates in developing new projects and bringing them to life.

H R

VADIM GERASKIN

Non-Executive Director

Appointed: 8 February 2019

Vadim has extensive experience in government relations at the national as well as regional level.

Since September 2012, as the Deputy CEO for Government Relations at Basic Element, he has been heavily involved in promoting the company's socioeconomic development programmes in the regions where it operates.

Vadim led RUSAL's Natural Monopolies Administration for eight years before joining Basic Element, and prior to that he headed up RUSAL's Transport and Logistics Administration and Transport Department. From 1997 to 2000, he served as CEO of Zarubezhcontract, a company focused on the non-ferrous metals market. From 1993 to 1997, he worked for AluminProduct.

Vadim graduated from Lomonosov Moscow State University with a degree in Physics.

C G

ANASTASIA GORBATOVA

Non-Executive Director

Appointed: 29 June 2023

Anastasia has a remarkable track record with leading law firms, having acted as an adviser to major Russian and international companies on multi-billion-dollar M&A, EPC, and corporate finance deals, as well as capital markets transactions.

Anastasia served on the Board of Directors of EN+ GROUP IPJSC as a non-executive director from 2019 to 2021 and is currently engaged in private legal practice.

She graduated with honours from the International Law School of the Moscow State Institute of International Relations (MGIMO University).

C R H

THURGOOD MARSHALL JR.

Independent Non-Executive Director

Appointed: 26 May 2021

Thurgood has extensive experience at the intersection of law, business and politics.

Throughout his career, Thurgood has served as a partner at an international law firm, was a member of boards of listed companies, and held a wide range of positions in the US Government, including Staff Director and Chief Counsel to Senator Al Gore, Director of Legislative Affairs and Deputy Counsel to Vice President Al Gore.

Thurgood also practiced law in Washington, DC, where he completed his judicial clerkship.

He earned his Bachelor of Arts (BA) in 1978 and a Juris Doctor (JD) degree in 1981 from the University of Virginia.

C

ANDREY PLUGAR

Non-Executive Director

Appointed: 29 June 2023

Andrey has extensive experience in international law and providing legal advice on M&A transactions. He has led investment (M&A) and legal departments at major Russian companies with diversified asset portfolios.

He currently heads the investment department at Impulse Group, where he manages investment projects and is responsible for M&A transactions.

Andrey graduated from the International Law School of the Moscow State Institute of International Relations (MGIMO University). He has a diploma of international lawyer with knowledge of foreign languages (English, French).

A C R

J. W. RAYDER

Independent Non-Executive Director

Appointed: 25 May 2022

J. W. Rayder has been involved in or led significant corporate restructuring projects, financings and M&A deals; he also has a solid track record in negotiating numerous power and natural gas supply contracts on behalf of his clients.

He also advises clients on a myriad of legislative, regulatory and transactional matters related to energy markets and federal taxation.

He graduated from University of Arkansas (BSBA in Accounting, JD) and Georgetown University Law Center (LL. M).

N G A

JAMES SCHWAB

Independent Non-Executive Director

Appointed: 3 April 2023

James has 30 years of general management and private equity experience across a variety of industries, including logistics, the paper and forest industry, telecommunications, government, etc. He has held board positions at CrimStone portfolio companies, Western Marketing, Cimcon Finishing, Waples Manufacturing and Greenscape Landscaping.

James holds a Bachelor's degree (with distinction) in Mathematics from the United States Naval Academy and a Master of Business Administration (MBA) from Harvard Business School.

G A N

ANDREY SHARONOV

Independent Non-Executive Director

Appointed: 27 January 2019

Andrey is the CEO of the National ESG Alliance, Chairman of the Board of Directors of NefteTransService, and member of the Board of Directors at the Skolkovo Foundation and several other organisations.

He was a People's Deputy of the USSR, Chairman of the State Committee for Youth Affairs of Russia, a key figure at the Ministry of Economic Development and Trade, a Managing Director and Chairman of the Board of Directors at Troika Dialog, Deputy Mayor of Moscow for Economic Policy, Chairman of the Regional Energy Commission, and headed the Executive Committees of the Moscow Urban Forum and the Open Innovations Forum.

He graduated from Ufa State Aviation Technical University and the Russian Presidential Academy of Public Administration and holds a PhD in Sociology.

Governance

R A H

ANDREY YANOVSKY

Independent Non-Executive Director

Appointed: 25 September 2020

Andrey has been the CEO of the European Medical Center and member of its Board of Directors since 2014.

During his career, Andrey was the CEO of the Coca-Cola Company franchise in Russia, CEO of Nidan Juices (2003–2009), Vice President for Organisational Development and Personnel at TNK-BP (2009–2013), and Director for Strategy and Organisational Development at NefteTransService (2013–2014).

Andrey graduated from the Riga Higher Military Political School and received an MBA in Strategic Management from Kingston University.

BIOGRAPHICAL DETAILS OF THE DIRECTORS WHO SERVED ON THE BOARD IN 2023 AND RESIGNED IN 2023

ELENA NESVETAEVA

Non-Executive Director

Appointed: 8 February 2019
Resigned: 29 June 2023

Elena has extensive experience working in the investment and banking sectors.

She currently heads the Investment Department at Basic Element, which she joined in 2009. At Basic Element, she manages the company's investment projects and portfolio and is responsible for driving the group's investment strategy, asset valuation, acquisition projects and M&A transactions.

She worked in the banking sector and for a timber-processing holding company.

Elena graduated with distinction from the Faculty of Economics of Syktyvkar State University, the Academy of National Economy under the Government of the Russian Federation, and the Institute of Business Studies with a degree in Management.

TIMUR VALIEV

Non-Executive Director

Appointed: 26 May 2021
Resigned: 29 June 2023

Timur has extensive professional experience in legal proceedings and contract management, legal support of M&A projects, and the creation of joint ventures.

From 2013 to 2019, he held the position of General Counsel of En+ Group.

Prior to his career at En+ Group, Timur Valiev served as Director for International Projects and M&A at Basic Element.

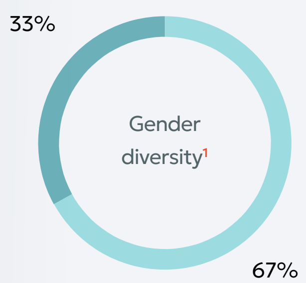
Prior to joining Basic Element, Timur worked at the international law firm Dewey & LeBoeuf, the legal department of TNK-BP, and at a number of Russian consulting firms.

Vadim graduated from Lomonosov Moscow State University with a degree in Law.

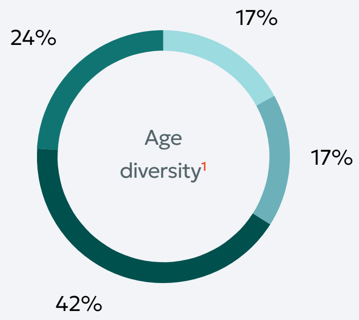
THE BOARD'S COLLECTIVE ESG KNOWLEDGE AND EXPERIENCE

	Power industry	Strategic management	Occupational health and safety	Environmental management	Legal and corporate governance	Ethics and compliance	Risk management and audit
Christopher Burnham	●				●	●	
Olga Filina						●	●
Zhanna Fokina				●			
Lyudmila Galenskaya				●			
Vadim Geraskin	●				●		
Anastasia Gorbatova					●		
Thurgood Marshall Jr.					●		
Andrey Plugar		●			●		
J. W. Rayder					●	●	●
James Schwab		●					
Andrey Sharonov	●				●		
Andrey Yanovsky		●	●				

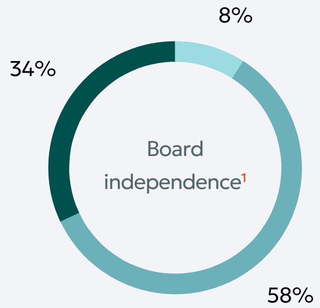
Distribution of members of the Board of Directors by key characteristics



- Male
- Female



- 35–45
- 46–55
- 56–65
- 65+



- Chairman
- Independent directors
- Non-executive directors

1 As at 31 December 2023.

Governance

BOARD ATTENDANCE AND NUMBER OF MEETINGS IN 2023

	Appointed on	Resigned on	Attendance[1]
Chairman of the Board			
Christopher Burnham	27.01.2019	–	11/11
Non-executive directors			
Olga Filina	15.12.2021	–	11/11
Vadim Geraskin	08.02.2019	–	11/11
Anastasia Gorbatova	29.06.2023	–	6/6
Elena Nesvetaeva	08.02.2019	29.06.2023	5/5
Andrey Plugar	29.06.2023	–	
Timur Valiev	26.05.2021	29.06.2023	5/5
Independent non-executive directors			
Zhanna Fokina	26.05.2021	–	11/11
Lyudmila Galenskaya	18.05.2022	–	11/11
Thurgood Marshall Jr.	26.05.2021	–	11/11
J. W. Rayder	25.05.2022	–	11/11
James Schwab	03.04.2023	–	8/8
Andrey Sharonov	27.01.2019	–	11/11
Andrey Yanovsky	25.09.2020	–	11/11
Total number of meetings			11

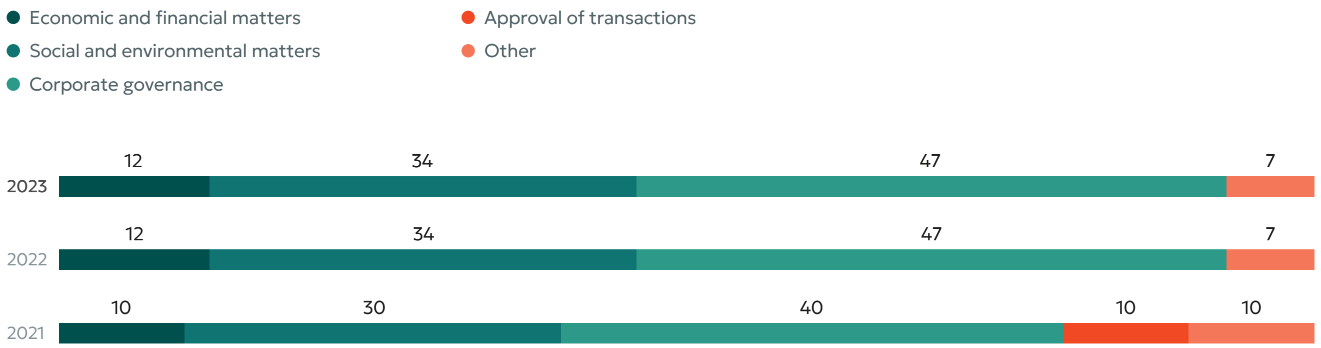
100 %

Attendance at all meetings of all Board of directors

During 2023, the Board held 11 meetings, all by absentee voting. Prior to the COVID-19 pandemic and the aggravated geopolitical situation, the Board primarily discussed important sustainability matters in person. Given the current circumstances, the Board has reviewed such matters remotely via videoconference, where each director could give comments, followed by absentee voting.

GRI 2-16

Nature and number of critical issues brought escalated to the Board of Directors, %



1 The number of meetings attended / maximum number of meetings the Director could attend.

THE BOARD'S FOCUS DURING THE YEAR

AREA OF FOCUS	MATTERS CONSIDERED AND DECISIONS ADOPTED		
Strategy and risk	• The Board preliminarily approved theConsolidated Annual Report 2023.	• The Board approved the Company's Development Strategy 2023.	• The Board approved the Company's Business Plan for 2024.
Sustainable development	• The Board considered the latest updates on health and safety matters and COVID-19.	• The Board took note of the reports of management and committee chairs covering, among other things, performance in occupational health, industrial safety, and environmental protection; the Company's climate goals; the status of the environmental and climate strategy (including progress towards net zero); and the implementation of the biodiversity strategy.	• The Board updated the Company's climate ambitions. • At its strategy session in October 2023, the Board reviewed environmental upgrades, infrastructure projects, and digital initiatives.
Succession and leadership	• The Board elected James Schwab as a new Board member.	• The Board updated the composition and appointed chairpersons of all Board committees after the Annual GSM.	• The Board appointed a new CEO of the Company.
Corporate governance	• The Board approved overall levels of D&O (Directors and Officers) liability insurance.	• The Board approved the results of the assessment of the 2022 KPI achievement by the CEO.	• The Board approved the CEO's KPIs for 2024. • The Board approved the Board Chairman's KPIs for 2024.
Financial performance	• The Board approved the consolidated interim condensed financial statement for the six months ended 30 June 2023.	• The Board preliminarily approved the Company's annual accounting (financial) statements for 2022.	• The Board approved the IFRS consolidated financial statements for the year ended 31 December 2022.

Governance

RESPONSIBILITY STATEMENT

The members of the Board confirm that, to the best of their knowledge:

- The consolidated financial statements, prepared in accordance with IFRS as issued by the International Accounting Standards Board and as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company and its subsidiaries, taken as a whole.
- This Annual Report includes a fair review of the development and performance of the business and the position of the Company and its subsidiaries, taken as a whole, together with a description of the principal risks and uncertainties that they face.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The liability of all Board members related to the discharge of their duties at the Company is insured under a D&O liability insurance policy that covers any damage caused during the Directors' tenure.

Energized for action

COMPARATIVE RESULTS OF A SELF-ASSESSMENT SURVEY OF THE MEMBERS OF THE BOARD IN 2021–2023

Section	2021–2022	2022–2023	Δ
	Value (5-max)[1]		
Mandate	4.69	4.66	−0.03
Strategy	4.58	4.70	0.12
Agenda	4.61	4.83	0.22
Leadership	4.93	4.98	0.05
Succession	4.25	4.50	0.25
Support	4.82	4.91	0.09
ESG	4.62	4.78	0.16
Total	**4.64**	**4.77**	**0.13**
Committee			
Audit and Risk	4.80	4.85	0.05
Corporate governance	4.45	4.70	0.25
Nominations	4.50	4.90	0.40
Remuneration	4.78	4.64	−0.14
Health, Safety and Environment	5.00	4.96	−0.04
Compliance	4.65	4.82	0.17

SCALE

- If the overall component score is **≥4,6 – excellent/effective.** The component corresponds to the best practice in most of the estimated parameters.
- If the overall component score is **≥4,3 <4,6 good/effective.** The component is generally consistent with good practices. Some aspects require adjustments and can be inproved.
- If the overall component score is **≥3,9 <4,3 – satisfactory/ineffective.** Most aspects of the component do not comply with good practices and require adjustments.
- If the overall component score is **<3,9 – critical.** Urgent intervention and significant changes are required.

BOARD PERFORMANCE EVALUATION

In 2023, the Company decided to engage an independent consultancy to evaluate the Board's performance.

TRAINING AND PROFESSIONAL DEVELOPMENT OF BOARD MEMBERS

GRI 2-17

New Directors take induction training upon their appointment.

The key elements of the programme include, inter alia:

- meetings, in person or remotely, with the CEO, the Chairman of the Board of Directors, the Corporate Secretary, management team, and/or heads of corporate business units
- familiarisation with operations, including site visits to the Group's production facilities with operational and management briefings and meetings with local management teams
- provision of Board information packages, including internal reporting documents for previous periods
- provision of internal documents and Q&As with the management team
- attending meetings of all Board committees as invitees
- mandatory training, including by external advisors, on matters relating to insider trading, disclosures, and compliance with sanctions.

GRI 2-17

The Corporate Secretary runs the induction training programme for new members of the Board of Directors and coordinates all involved parties with the assistance of the Corporate Governance Committee and the Nominations Committee.

As part of the training and professional development of its members, the Board also conducts regular training sessions on various matters, often led by external advisors. In October 2023, a planned training session on sanctions compliance was delivered.

GRI 2-18

As at the date of this Report, the Company has adopted a procedure for evaluating the performance of Board members, the Board of Directors, and its committees.

The assessment was carried out by an independent consultant RosExpert, a Russian consulting company that specializes in the assessment, formation and development of management teams, and has been operating in the market of Russia, Turkey and the CIS countries for more than 20 years. The evaluation methodology included individual interviews, processing of self-assessment questionnaires for members of the Board and benchmarking with relevant international companies.

All 12 members of the Board took part in the self-assessment and interviews with representatives of the independent consultant.

Consultants note the high level of organization of the work of the Board and its committees, the high quality and timeliness of the materials presented, the active participation of members of the Board in all meetings, the organizing role of the Chairman of the Board and the professional work of the corporate secretary's office.

The composition of the Board is sufficient in number to ensure work on the committees of the Board, and is balanced in terms of the set of professional competencies.

The agenda for the meetings of the Board is balanced and corresponds to the role of the Board as a strategic and supervisory body for the management of the company[1].

Analysis of the results of self-assessment of members of the Board demonstrated stable and improving performance of the Board and its committees compared to the previous year.

The results of the Board evaluation showed the following positive aspects:

- the Company's commitment to high standards of corporate governance;
- attention to the analysis of production and financial results of the company's activities and risk management, including compliance with the requirements of regulators and exchanges;
- active interaction of the Board with executive management.

Based on the results of the evaluation, the Board identified a number of areas for further improvement, including increasing attention to new technologies, succession planning and professional development of members of the Board, strengthening the role of the Board in matters of sustainable development and social responsibility.

1 Taking into account the topics of meetings of committees of the Board of directors, discussions at the in-person strategic session and discussion of the regular report of management at each meeting of the Board of directors.

Governance

SHARE DEALING CODE

Upon admission to the Main Market of the London Stock Exchange in November 2017, the Company adopted a code for dealing in securities regulating the trading of its GDRs, ordinary shares, and any other securities of the Company, which is based on the requirements of EU Market Abuse Regulation No. 596/2014. This code applies to the directors and other relevant employees of the Group (to the extent it does not contradict the Charter and applicable UK and Russian law provisions).

SHAREHOLDINGS OF DIRECTORS

As at the date of this Report, none of the Directors directly or indirectly hold shares in the Company or concluded any transactions with Company shares.

SHAREHOLDINGS OF THE CEO AND MANAGEMENT TEAM

As at the date of this Report, neither the CEO nor members of the management team directly or indirectly hold any shares in the Company. In 2023, neither the CEO nor members of the management team concluded any transactions with Company shares.

CONFLICTS OF INTEREST AND LOANS ISSUED TO MEMBERS OF THE BOARD AND THE CEO

In 2023 and up to the date of this Report, the Company has not been aware of any conflicts of interest affecting any member of the Board or the CEO (including in connection with their participation in governance bodies of the Company's competitors).

In 2023, no loans were issued by the Company (or any Group company) to members of the Board or the CEO.

Sole executive body—CEO

Under the Charter, the CEO acts as the sole executive body of the Company.

The CEO is appointed by the Board for a period of five years unless another term of office is established by the Board.

The CEO is responsible for overseeing the Company's day-to-day operations and holds all powers falling outside the exclusive competence of the GSM and the Board of Directors, including, inter alia:

1. acting on behalf of the Company without a power of attorney (including representing the Company and entering into transactions on its behalf)
2. passing resolutions to establish branches and representative offices of the Company
3. issuing powers of attorney, authorising their holders to represent the Company

Currently, the CEO position is held by Mikhail Khardikov

MIKHAIL KHARDIKOV

CEO

On 20 December 2023, the Board of Directors resolved to appoint Mikhail Khardikov as the Company CEO for a period of three years starting from 1 January 2024.

Mikhail joined EuroSibEnergo (part of En+ Group) in 2010 as Director for Investor Relations, then held the position of Director for Corporate Finance from December 2012 to June 2014. In July 2014, Mikhail was appointed as CFO of the Company, and in 2018, he became the CEO of EuroSibEnergo. In 2019, he stepped up to the position of Deputy CEO, CFO of En+ Group, and in December 2022, he was appointed as Group's COO.

Prior to joining the Company, Mikhail held various positions at Russian metals and energy companies, including OGK-3, HC Metalloinvest, and Bashkirenergo.

Mikhail graduated from the Academy of National Economy under the Government of the Russian Federation and the Russian Presidential Academy of Public Administration and holds a postgraduate degree in Economics.

He has a Letter of Gratitude from the President of Russia and a Certificate of Merit from the Russian Ministry of Energy.

CEO as at 31 December 2023

VLADIMIR KIRYUKHIN

CEO

Appointed: 1 November 2018
Joined the Group: January 2000

Vladimir oversaw the Company's long-term strategy, business development, and engagement with key partners and external stakeholders, including regulators.

Vladimir's long track record at En+ Group includes roles such as the CEO of EuroSibEnergo, senior positions at Russian Aluminium and MAREM+,

Chairman of the Boards of Directors at Irkutskenergo and Krasnoyarsk HPP, and member of the Board at RUSAL.

He graduated from the All-Union Institute of Interindustrial Information with a PhD in Engineering.

Corporate Secretary

Pursuant to the Regulations on the Corporate Secretary, the Corporate Secretary of the Company is responsible for ensuring the Company's efficient ongoing communication with shareholders, coordinating the Company's activities to protect the rights and interests of shareholders, and supporting the effective operation of the Board and Board Committees.

The functions of the Corporate Secretary include:

1. participating in preparation and holding of GSMs
2. supporting the activities of the Board and the Board Committees
3. implementing the Company's disclosure policy and ensuring the storage of the Company's corporate documents
4. liaising between the Company and its shareholders and preventing corporate conflicts
5. improving the Company's corporate governance system and practices

SERGEY MAKARCHUK

Corporate Secretary

Appointed as Secretary of the Board of Directors:
10 April 2019
Appointed as Corporate Secretary of En+ Group:
14 November 2019

The Corporate Secretary can be contacted by e-mail
CS@enplus.ru

Following stints at various law firms, Sergey worked for RUSAL Group in 2007–2010 at the Corporate Governance Department of RUSAL Global Management B.V., managing corporate legal proceedings at Group entities and providing support to the RUSAL Board of Directors and Board Committees. He was also involved in RUSAL's IPO on the Stock Exchange of Hong Kong and NYSE Euronext. From 2011 to 2013, Sergey was Deputy Director of the Corporate Governance Department at TNK-BP Management.

After the acquisition of TNK-BP by Rosneft, he stayed on as Deputy Head of the Foreign Assets Department and Project Director of the Corporate Governance Department.

Sergey graduated from Lomonosov Moscow State University with a degree in Law in 2004.

Board committees

OVERVIEW

As at the date of this Report, the Board has established six Committees to assist it in exercising its functions:

1. Audit and Risk Committee
2. Remuneration Committee
3. Compliance Committee
4. Corporate Governance Committee
5. Nominations Committee
6. Health, Safety, and Environment Committee

All the Committees are advisory bodies, whose primary function is to make recommendations to the Board on the matters within their remit.

On 29 June 2023, the compositions of the Committees were reshuffled. Information on each Committee is detailed below.

All Board members attended at least 95% of meetings of the Board Committees.

Committees attendance and number of meetings in 2023[1]

	Audit and Risk Committee	Compliance Committee	Corporate Governance Committee	Health, Safety, and Environment Committee	Nominations Committee	Remuneration Committee
Chairman of the Board						
Christopher Burnham	6/6	1/1			3/3	
Non-Executive Directors						
Olga Filina		2/2				1/1
Vadim Geraskin				5/5		1/1
Anastasia Gorbatova		1/1	1/1			
Elena Nesvetaeva						2/3
Andrey Plugar			1/1			
Timur Valiev		1/1				2/3
Independent Non-Executive Directors						
Zhanna Fokina			1/1	5/5	5/5	
Lyudmila Galenskaya		1/1		5/5	5/5	
Thurgood Marshall Jr.		2/2		5/5		4/4
J. W. Rayder	6/6	2/2				4/4
James Schwab	3/3		1/1		2/2	
Andrey Sharonov	6/6		1/1		5/5	
Andrey Yanovsky	6/6			5/5		4/4
Total number of meetings	6	2	1	5	5	4

1 The number of meetings attended / maximum number of meetings the Director could attend.

Governance

Audit and Risk Committee

COMPOSITION

Pursuant to the revised Regulations on the Audit and Risk Committee, approved by the Board on 23 June 2022, the Committee consists of members considered by the Board to be independent, as defined in the Listing Rules of Moscow Exchange. The Committee meets at least once per quarter of the Company's financial year.

THE CURRENT COMPOSITION OF THE AUDIT AND RISK COMMITTEE IS AS FOLLOWS:

1. J. W. Rayder, as Chairman
2. Christopher Burnham
3. James Schwab
4. Andrey Sharonov
5. Andrey Yanovsky

The responsibilities of the Audit and Risk Committee include, inter alia, the following:

1. Overseeing the integrity, completeness, accuracy, and reliability of the Company's financial statements and the Group's consolidated financial statements
2. Reviewing material aspects of the accounting policies at the Company and its subsidiaries to ensure that they are fit for purpose and consistently applied
3. Reviewing the Company's Annual Report (including the annual consolidated financial statements) and making recommendations to the Board on its contents
4. Reviewing material matters and judgments (including significant financial reporting estimates and judgements) regarding the Company and its consolidated financial statements
5. Monitoring the adequacy, reliability, and effectiveness of operation of the Group's risk management and internal control systems
6. Reviewing and assessing the implementation of risk management and internal control policies to ensure that risk management and internal control systems are adequate and operating effectively
7. Monitoring and assessing any important new systems (including IT systems) and ensuring that related controls are adequate, reliable, and effective
8. Ensuring that the internal audit function is independent and unbiased
9. Evaluating the performance of the internal audit function
10. Monitoring the performance of the whistleblowing system for reporting potential wrongdoing by Group employees or third parties and other irregularities within the Group

GRI 2-5

The Audit and Risk Committee is also responsible for reviewing the effectiveness of the external audit process, in conjunction with other Board committees.

In 2023, the Committee held six meetings. The agenda included financial statements, internal audit reports, work plan for 2024, external audit reports, and internal control and risk management reports.

AUDITOR'S REMUNERATION FOR AUDIT AND NON-AUDIT SERVICES

For the year ended 31 December 2023, the accured fees for audit and non-audit services provided by the Group's external auditor, B1, totalled as follows:

	Power segment			Metals segment			En+ Group		
	USD mn[1]	RUB mn	%	USD mn	RUB mn[1]	%	USD mn	RUB mn	%
Audit services	0.5	39.3	65	4.1	345.5	78	4.6	384.8	78
Non-audit services	0.2	21.0	35	1.1	96.3	22	1.3	117.3	22
Total fees paid to the audit firm[1]	0.7	60.3		5.2	441.8		5.9	502.1	

Corporate Governance Committee

COMPOSITION

Pursuant to the Regulations on the Corporate Governance Committee, approved by the Board on 1 December 2020, the majority of Committee members are independent directors as defined in the Listing Rules of Moscow Exchange. The Committee meets at least three times a year.

The Committee's primary role is to oversee the Company's and the Group's corporate governance matters.

THE CURRENT COMPOSITION OF THE CORPORATE GOVERNANCE COMMITTEE IS AS FOLLOWS:

1. Andrey Sharonov, as Chairman
2. Zhanna Fokina
3. Anastasia Gorbatova
4. Andrey Plugar
5. James Schwab

The Corporate Governance Committee is responsible for the following:

1. Setting the Group's priorities in corporate governance
2. Assessing the Company's corporate governance system and values for alignment with its goals and objectives, the scale of its business, and risk profile

In 2023, the Corporate Governance Committee held one meeting to approve the Company's D&O liability insurance.

1 Calculated based on the average USD/RUB exchange rate of RUB 85.25 per USD in 2023.

Governance

Nominations Committee

COMPOSITION

Pursuant to the Regulations on the Nominations Committee, approved by the Board on 1 December 2020, Committee members are independent directors as defined in the Listing Rules of Moscow Exchange. The Committee meets at least three times a year.

The Committee's primary role is to develop recommendations to the Board of Directors on Board performance evaluation and planning internal appointments.

THE CURRENT COMPOSITION OF THE NOMINATIONS COMMITTEE IS AS FOLLOWS:

1. James Schwab, as Chairman
2. Zhanna Fokina
3. Lyudmila Galenskaya
4. Andrey Sharonov

The primary responsibilities of the Nominations Committee include, inter alia, the following:

1. Running a detailed formal process to conduct an annual self-evaluation and external performance evaluation of the Board, its members, and the Board Committees, and determining priority areas to strengthen the Board
2. Commissioning external performance evaluations of the Board, its members, and the Board Committees
3. Engaging with shareholders (including minority shareholders) to develop recommendations to shareholders regarding voting in Board elections
4. Planning appointments, including to ensure CEO succession, making recommendations to the Board regarding candidates for the Corporate Secretary role (or the unit head acting as the Corporate Secretary) and recommendations regarding candidates for the roles of the head of the Internal Audit Service and the CEO of the Company
5. Determining the independence of Board members
6. Taking part in the regular advanced professional training of Board members
7. Reviewing the Company's current and expected needs in terms of professional qualifications of the Company's CEO to support the Company's continued competitiveness and future growth, and ensuring succession planning for this role

The Nominations Committee met five times during 2023 to consider the proposed appointment of James Schwab to the Board, the appointment of Mikhail Khardikov as the Company's CEO, and the Company's Regulations on Performance Evaluation of the Board of Directors.

Compliance Committee

COMPOSITION

GRI 2-15

The Compliance Committee was set up after the Company was removed from OFAC's SDN List. The Committee holds meetings at least once per quarter of the Company's financial year.

THE CURRENT COMPOSITION OF THE COMPLIANCE COMMITTEE IS AS FOLLOWS:

1. Thurgood Marshall Jr., as Chairman
2. Olga Filina
3. Lyudmila Galenskaya
4. Anastasia Gorbatova
5. J. W. Rayder

The primary responsibilities of the Compliance Committee include, inter alia, the following:

1. Driving the build-out of the Group's compliance management system
2. Contributing to the development of the Company's policies and other internal regulations concerning compliance, and consistently identifying compliance requirements
3. Ensuring adequate compliance controls are in place at the Group
4. Conducting due diligence in the event of any reasonable doubt regarding the observance of compliance requirements and the provisions of compliance documents

The Compliance Committee reviews its own performance and reassesses the adequacy of regulatory compliance procedures and guidelines.

In 2023, the Committee held two meetings and reviewed regular Company compliance reports, as well as compliance with the terms of removal from OFAC's SDN List given the current geopolitical situation.

Health, Safety, and Environment Committee

COMPOSITION

The Health, Safety, and Environment Committee meets at least once per quarter of the Company's financial year.

THE CURRENT COMPOSITION OF THE COMMITTEE IS AS FOLLOWS:

1. Zhanna Fokina, as Chairwoman
2. Lyudmila Galenskaya
3. Vadim Geraskin
4. Thurgood Marshall Jr.
5. Andrey Yanovsky

The primary responsibilities of the Health, Safety, and Environment Committee include, inter alia, the following:

1. Exploring leading international research studies and best practices in health, safety, and environment, and, if necessary, assessing their impact and preparing respective strategy recommendations to the Board in relation to the Group
2. Preparing recommendations to the Board on formulating Group strategies, policies, and instructions on health, safety, and environment
3. Contributing to the development of the Company's policies and other internal documents on health, safety, and environment
4. Preparing recommendations to the Board on possible discussions, cooperation, and consultations on health, safety, and environmental matters with government authorities, NGOs, and other companies or associations
5. Monitoring the Company's compliance with international standards, applicable laws, and the Company's internal documents on health, safety and environment
6. Benchmarking the Group's occupational safety and environmental performance against global best practices, and reviewing the results of such benchmarking exercises

In 2023, the Health, Safety, and Environment Committee held five meetings and reviewed regular HSE reports, the environmental and climate strategy development updates, the Company's environmental risk management status, performance against HSE KPIs in 2023 and target KPIs for 2024, the biodiversity strategy update, and En+ Group's HSE roadmap for 2024.

Governance

Remuneration Committee

COMPOSITION

The majority of the Remuneration Committee's members are independent directors. The Committee meets at least three times during the Company's financial year.

THE CURRENT COMPOSITION OF THE REMUNERATION COMMITTEE IS AS FOLLOWS:

1. Andrey Yanovsky, as Chairman
2. Olga Filina
3. Vadim Geraskin
4. Thurgood Marshall Jr.
5. J. W. Rayder

The responsibilities of the Remuneration Committee include, inter alia, the following:

1. Developing and intermittently revising the Company's remuneration policy for Board members, the CEO, the Corporate Secretary, and the Head of the Internal Audit Service, as well as setting the parameters of short-term incentive programmes
2. Supervising the adoption and implementation of the remuneration policy and various incentive programmes at the Company, and revising the policy and programmes as and when necessary
3. Conducting preliminary year-end performance evaluation of the CEO against established remuneration criteria, and a preliminary review of the CEO's progress against the targets of the long-term incentive programme
4. Developing recommendations to the Board on the amount of remuneration and the bonus eligibility criteria for the Company's Corporate Secretary, conducting a preliminary year-end performance evaluation of the Company's Corporate Secretary, and submitting proposals for bonus payments to the Company's Corporate Secretary
5. Supervising the disclosure of remuneration policies and procedures and the ownership of Company shares by Board members and the person acting as the CEO both in the annual report and on the Company's website.

GRI 2-20

In 2023, the Remuneration Committee met four times to review the CEO's KPIs and the remuneration arrangements for the CEO appointed from 1 January 2024.

Remuneration report

Remuneration policy objectives

GRI 2-19

Our remuneration policy is based on the following principles:

1. Attract, remunerate, and retain skilled talent supporting the achievement of the Company's strategic goals
2. Maintain the right balance between the Company's short-term operating results and long-term goals
3. Create value for our shareholders, given the risks that may impact the variable component of remuneration

REMUNERATION STRUCTURE

The Group's remuneration structure is designed to ensure a balance between attracting and retaining high-calibre leaders and the interests of our shareholders. The established remuneration system comprises fixed and variable components. The fixed component consists of base salary, which is set in line with the market to retain key executives, and reflects the qualifications, experience, scope of responsibility, personal achievements, and other characteristics of each manager. The variable component consists of annual bonuses and may also include one-off payments, bonuses for meeting KPIs, and other payments linked to KPI achievement.

Stakeholders are not involved in determining remuneration. The Company's remuneration system is driven by its internal regulations. The Remuneration Committee, which is majority comprised of independent directors, oversees the remuneration policy for the Board and the CEO in line with stakeholders' interests. The Remuneration Committee may engage external independent advisers when reviewing certain remuneration aspects within its remit.

REMUNERATION OF KEY EXECUTIVES[1]

In 2023, the remuneration of key executives, including the CEO, amounted to USD 11.7 million, including a base salary of USD 6.0 million and bonuses of USD 5.7 million.

Remuneration of key executives

	2021	2022	2023
	USD mn	USD mn	USD mn
Total remuneration of key executives, including the CEO	15.4	11.6	11.7
Base salary	8.2	6.2	6.0
Bonuses	7.2	5.4	5.7

1 Accrual basis.

Remuneration structure for key executives

Remuneration component	Approach	Links to metrics	Key changes during the year
Base salary Base salary is determined by the employment contract concluded with each member of the Group's management team and is aimed at attracting and retaining high-calibre professionals	The salary level is set to ensure competitive pay vs Russian and global industry peers. The fixed remuneration component reflects the qualifications, scope of responsibility, personal achievements, and professional experience of the respective manager	Not applicable	No changes during the year
Benefits Provided to encourage strong job performance by reimbursing additional job-related expenses	The Company ensures a competitive, comprehensive benefits package for its employees, covering their meal costs and health insurance and providing additional payments	Not applicable	No changes during the year
Pension Pension contributions	We do not pay any other pension contributions or retirement benefits, except for the mandatory contributions to the Pension Fund of the Russian Federation as required by Russian law, which entitles retiring employees to a fixed monthly pension for life from the state pension fund	Not applicable	No changes during the year
Annual bonus Encourages focus on the Group's strategic goals	• The bonus is paid for meeting individual KPIs • KPIs for the CEO are set by the Remuneration Committee and approved by the Board • KPIs are set at the beginning of each financial (calendar) year • KPIs are regularly reviewed and updated to ensure that they align with the Group's goals	**Examples:** • Financial performance: adjusted EBITDA, free cash flow • HSE and sustainability: lost time injury frequency rate (LTIFR), zero environmental incidents, accidents, or violations • Strategy: achievement of strategic goals and successful implementation of development projects • Other objectives: in accordance with the manager's area of responsibility	No changes during the year
Additional payments and benefits Optional bonus payments for achieving targets other than KPIs for the relevant year	Paid for achieving results that are important for the Company but not included in KPIs	Task-specific	No changes during the year
Remuneration of other risk takers Attracts and retains high-calibre professionals	• Top managers of En+ Group subsidiaries are considered risk takers • The Group's executive remuneration policy applies	• Aligned with the Group's executive remuneration structure	No changes during the year

REMUNERATION OF BOARD MEMBERS

In 2019, the Board considered and approved the base levels of compensation for Board members.

All members of the Board, except for the Chairman, are entitled to a remuneration of EUR 215,000 (about USD 249,000)[1] gross per annum, paid monthly.

All members of the Board of Directors are entitled to additional remuneration for serving on a committee or other structural unit of the Board[2]:

- EUR 26,000 (about USD 28,000)[1] gross per annum for chairing a committee or other structural unit of the Board
- EUR 18,000 (about USD 19,000)[1] gross per annum for membership in each committee or other structural unit of the Board

The aggregate remuneration of Board members in 2023 amounted to USD 10.0 million, excluding social insurance contributions[3].

Remuneration of the Board of Directors

	2021	2022	2023
	USD mn	USD mn	USD mn
Total remuneration of the Board of Directors, excluding social insurance contributions[4]	10.3	6.1	10.0

Remuneration structure for the Board of Directors

Remuneration component	Approach	Links to metrics	Key changes during the year
Compensation for Board membership	Remuneration of Board members (excluding the Chairman of the Board) is determined so as to ensure competitive pay vs other listed peers	Not applicable	No changes during the year
Additional remuneration of Board members (excluding the Chairman of the Board) For serving on / chairing Board committees in addition to remuneration paid to Board members	Members of the Board receive fixed pay for serving on / chairing a Board committee	Not applicable	No changes during the year
Pension Pension contributions	We do not pay any other pension contributions or retirement benefits, except for the mandatory contributions to the Pension Fund of the Russian Federation as required by Russian law, which entitles retiring employees to a fixed monthly pension for life from the state pension fund	Not applicable	No changes during the year

1 Calculated based on the EUR/USD exchange rate of 1.09 as at 30 December 2023.
2 Members of the Corporate Governance Committee (including the Chairman) are not remunerated for membership (chairmanship) in the Committee if they sit on the Nominations Committee of the Board and receive relevant remuneration for serving on (chairing) the Nominations Committee of the Board at the same time.
3 Mandatory payments (pension contributions, compulsory health insurance, etc.) as required by Russian law.
4 Calculated based on the EUR/USD exchange rates of 1.16 in 2021, and 1.06 in 2022, 1.09 in 2023..
5 Mandatory payments (pension contributions, compulsory health insurance, etc.) as required by Russian law.

Governance

Information for shareholders and investors

Ordinary shares and global depositary receipts

As at 31 December 2023, En+ Group's share capital was divided into 638,848,896 ordinary shares with a par value of USD 0.00007 each.

The Company's ordinary shares are traded on the Moscow Exchange's Level One Quotation List under the ticker ENPG.

En+ Group's GDRs, each representing one ordinary share, are listed on the London Stock Exchange (LSE) under the ticker ENPL. Since 3 March 2022, the London Stock Exchange has suspended trading in securities of most Russian companies, including En+ Group.

On 16 April 2022, Federal Law No. 114-FZ On Amendments to the Federal Law On Joint Stock Companies and Certain Legislative Acts of the Russian Federation came into force, requiring Russian companies to initiate the termination of deposit agreements for their GDR programmes. In May 2022, En+ Group applied to the Government of the Russian Federation for permission to continue trading its GDRs outside Russia. On 19 May 2022, the Company received such permission, which is effective until 7 November 2024, inclusive.

On 14 July 2022, Federal Law No. 319-FZ On Amendments to Certain Legislative Acts of the Russian Federation came into effect. The law provides for two mechanisms for converting Russian companies' GDRs into shares: automatic conversion upon the issuer's request and forced conversion upon the GDR holder's request.

On 18 August 2022, En+ Group initiated the automatic conversion process by notifying its depositary, AO Citibank. The automatic conversion covered only the GDRs recorded with Russian depositaries. With respect to the GDRs recorded with foreign depositaries, the law provided for forced conversion at requests submitted by GDR holders to the depositary.

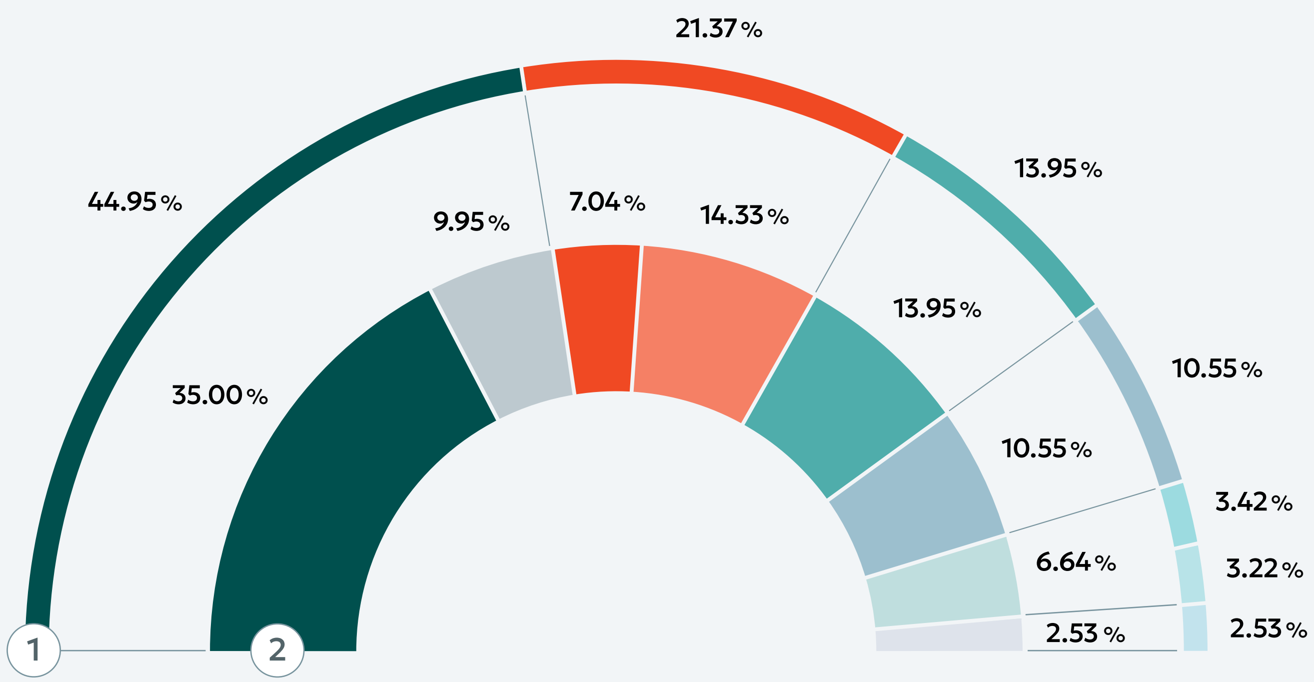
GRI 2-1

The Company's management is not aware of any shareholders owning more than 5% of the Company's share capital, apart from those listed below.

RUB 281 bn

Market capitalisation of En+ at the end of 2023

En+ Group shareholding structure and voting rights, as at 31 December 2023



1

SHAREHOLDINGS

- Mr Deripaska[3]
- SFO[2]
- Public float
- Glencore
- Other shareholders
- Volnoye Delo
- Former family members

2

VOTING RIGHTS

- Mr Deripaska[3]
- Independent trustees[1]
- Chairman of the Board
- Independent trustee[1]
- Public float
- Glencore
- Independent trustee[1]
- Former family members

Note:
Percentages may not total 100 due to rounding.

Depositary bank

The Company's depositary bank is Citibank N.A., with the registered office at 388 Greenwich Street, New York, New York 10013, United States of America.

Citibank N.A. contact details:

Citibank, N.A.
+1 (212) 723-54-35
CitiADR@Citi.com

Registrar

The Company's registrar is Joint Stock Company Interregional Registration Center (the "IRC").

IRC contact details:

JSC IRCs
+7 (495) 234-44-70
info@mrz.ru
www.mrz.ru

En+ Group's international securities identification numbers

London Stock Exchange

	Rule 144A GDRs	Regulation S GDRs
Ticker	ENPL	ENPL
ISIN[4]	US29355E1091	US29355E2081
Common Code[5]	171560667	170465199
CUSIP[6]	29355E109	29355E208

Moscow Exchange

	Ordinary shares
Ticker	ENPL
ISIN[4]	RU000A100K72

Instrument	Trading platform	Bloomberg code
GDRs	London Stock Exchange	ENPL LI
Ordinary shares	Moscow Exchange	ENPG RM

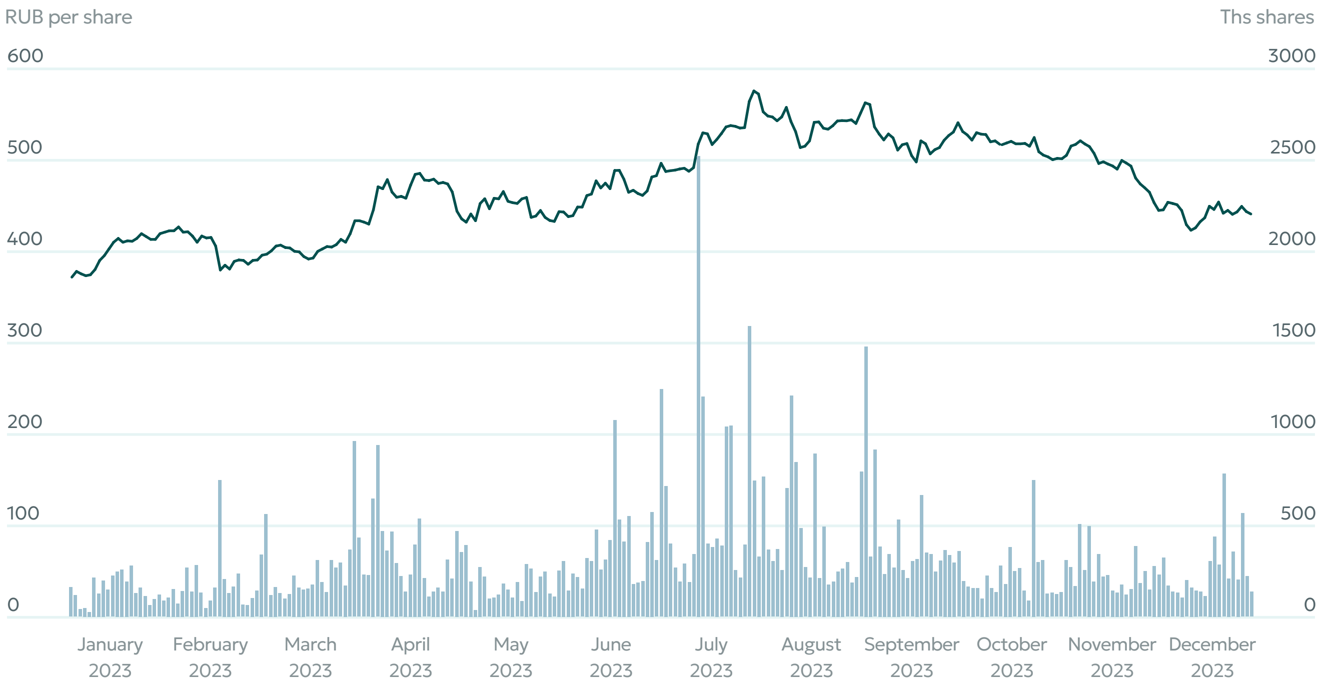
1 Independent trustees exercising voting rights over certain Company shares.
2 Shares initially purchased from VTB by an En+ Group subsidiary, as reported by the Company on 6 February and 12 February 2020, and later (on 26 October 2023) acquired from the En+ Group subsidiary by a Special Financial Organisation (SFO), an orphan entity registered in Russia and not affiliated with En+ Group. Voting rights in respect of the 14.33% shareholding are held by an independent trustee, while the remaining voting rights in respect of 7.04% of shares are exercised by the Chairman of the Board at the Board's direction.
3 Directly or indirectly. According to the agreement between the Company and OFAC, the major shareholder's equity cannot exceed 44.95%, and its voting rights cannot exceed 35%.
4 An International Securities Identification Number (ISIN) is a code that uniquely identifies a specific security.
5 A Common Code is a nine-digit identification code issued jointly by CEDEL and Euroclear.
6 A Committee on Uniform Security Identification Procedures (CUSIP) number is an identification number assigned to the issue of shares to facilitate clearing.

Governance

En+ Group share performance and trading volumes

Moscow Exchange

● Trading volume, ths shares (RHS) ● Share price, RUB per share (LHS)



Source: Moscow Exchange

In 2023, En+ Group's ordinary share price on the Moscow Exchange increased from RUB 380.5 as at 3 January 2023 to RUB 440.2 as at 29 December 2023.

En+ Group's market capitalisation rose from RUB 243 billion at the beginning of the year to RUB 281 billion at the end of 2023. The average daily trading volume during the year was 312,000 ordinary shares.

Share repurchases

During the reporting period, the Company did not, either itself or through a person acting in their own name but on the Company's behalf, repurchase any of the Company's own shares, and did not, either itself or through a person acting in their own name but on the Company's behalf, hold any shares in treasury.

Dividend policy

The Regulations on Dividend Policy can be downloaded from our website

https://enplusgroup.com/en/investors/corporate-documents/

On 14 November 2019, the Board of Directors approved the Regulations on Dividend Policy, providing that when determining the amount of dividend recommended to the GSM, the Board of Directors should calculate the dividend amount as follows:

- one hundred per cent (100%) of dividends received from RUSAL (as long as the Company remains a RUSAL shareholder), and
- seventy-five per cent (75%) of free cash flow[1] in the En+ Group Power segment[2], but in any event, at least USD 250 million per year.

Dividend payments

In 2023, the Company's GSM did not approve any dividend distributions. The Company anticipates that dividend payments will resume once market conditions permit.

Disclosure

The Company places a particular emphasis on making relevant information readily available to both shareholders and analysts simultaneously, in accordance with applicable provisions of Russian law and disclosure requirements of the Moscow Exchange, UK Market Abuse Regulation (UK MAR)[3], and the FCA's Disclosure Guidance and Transparency Rules (DTRs).

Information is distributed through the following channels:

- The Moscow Exchange and LSE Regulatory News Service (RNS): the Company's price-sensitive information is disclosed through disclosure systems
- The Company's website: the Company publishes releases on key events as well as operating and financial results
- The Company's webpage on the Russian regulatory newsfeed (Interfax Corporate Information Disclosure Centre).

Diversity

The Board of Directors Diversity Policy can be downloaded from our website

https://enplusgroup.com/en/sustainability/esg-policies/

The Company is strongly committed to promoting a diverse and inclusive workforce and recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

The Board recognises the desire of stakeholders to have greater diversity in senior management and on boards across the Group.

In 2020, En+ Group approved the Board of Directors Diversity Policy, which aims to set out the Company's approach to promoting and maintaining Board diversity.

Inclusion

En+ Group aims to create an environment of inclusion where everyone is treated without discrimination.

We are working to ensure equal opportunity in recruitment, promotion, training, and reward for all employees, regardless of ethnicity, national origin, religion, gender, age, sexual orientation, marital status, disability, or any other characteristic protected by applicable laws.

In the unfortunate event that existing employees should become disabled, our ambition is to provide continued employment, training, and occupational assistance where needed.

Email

The Investor Relations Department can be contacted with any queries at ir@enplus.ru.

1 Free cash flow, for any period, means the cash flows generated from operating activities less net interest paid, capital expenditures, restructuring fees, and other costs related to share issuance, adjusted for settlement payments under derivative financial instruments, plus dividends from associates and joint ventures.
2 The En+ Group Power Segment is a segment defined in the Group's IFRS consolidated statements.
3 Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as retained in the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

Governance

Internal control and risk management

8 DECENT WORK AND ECONOMIC GROWTH

INTERNAL REGULATIONS

- Corporate Code of Ethics
- Anti-bribery and Corruption Policy
- Regulations on Risk Management
- Policy on Conflict of Interest
- Sanctions Policy

MATERIAL TOPICS

- Corporate governance

In a bid to improve the Group-wide risk management system, heads of companies / business units have been tasked with ensuring comprehensive risk reporting and maintaining timely oversight over the development and implementation of risk mitigation measures.

GOALS	STATUS	PROGRESS made in 2023
Deploy an automated risk management system (ARMS) across En+ Group companies	Achieved	ARMS implemented
Implement commercial efficiency measures to drive out the risk of overcharging as part of procurement risk management	Achieved	Cost reduction for procuring services, construction and installation works, and essential goods and materials was achieved by refining the negotiation process and broadening the competitive landscape as part of the procurement function oversight
Assess the risk identification completeness	Ongoing	Identifying risks omitted from the Risk Map during the audit of Group companies and ensuring the development of relevant mitigation measures
Assess procedures for monitoring the execution of risk mitigation measures	Ongoing	Assessing the effectiveness of controls in place to execute measures for minimising or eliminating risks (as part of Group companies' audit)

Internal control and risk management structure

The Board of Directors has responsibility for overseeing the efficiency of the Group's financial and business operations, including reviewing and maintaining effective and adequate internal control and risk management systems.

GRI 2-13

The Board of Directors has established the Audit and Risk Committee, which is tasked with aiding the Board in reviewing the Group's financial statements, ensuring the adequacy and efficiency of internal control and risk management systems, supervising both internal and external audit processes, and discharging other functions as mandated by the Board of Directors.

The Internal Audit Directorate (IAD), operating independently from management and reporting directly to the Audit and Risk Committee of the Board of Directors, assists in supervising the Group's financial and business operations and its internal control and risk management systems.

The Internal Audit Directorate consistently updates the Audit and Risk Committee on the outcomes of both planned and ad-hoc audits, highlighting any gaps identified in the internal control system, recommending corrective actions to management, specifying identified risks and their financial impacts, and presenting developed mitigation measures.

Internal control system

The Group has established a comprehensive internal control system (ICS) to safeguard its assets, improve business processes, and ensure compliance with applicable laws and local regulations throughout its operations.

The IAD seeks to ensure that a robust system of internal controls is in place in the Group through:

- operational and financial control
- compliance control
- business process institutionalisation
- implementation of ICS enhancement projects.

The IAD conducts comprehensive audits and verifications in accordance with the annual audit plan approved by the Audit and Risk Committee. Furthermore, acting on management's instructions, the IAD arranges unscheduled inspections employing a risk-based approach, including providing an independent opinion.

During compliance control procedures, the IAD assesses the Group's adherence to the requirements of state supervisory bodies and the Company's internal regulations.

To mitigate the risks of losses and violations of standardised processes and ensure unified control over business processes, the IAD actively monitors the existing internal control system regulating the development of regulatory documents and initiates updates to uniform standards for commercial operations.

Refining the negotiation process and broadening the competitive landscape have fostered a more robust commercial environment as part of the procurement oversight exercised by the IAD.

Governance

Approach to risk management

The Company maintains a risk management system (RMS) integrated into its internal control system (ICS) and corporate governance framework. This system helps reduce the likelihood of non-compliance with corporate governance standards and drives the steady and sustainable growth of the Group's business.

GRI 3-3

The Company's risk management processes are driven by the precautionary principle applied across all facets of the Group's operations. The risk management system provides for the identification, assessment, and ongoing monitoring of risks and their status. It also includes the analysis of internal and external risk drivers.

The Company's risk management process is governed by the Regulations on Risk Management. This document sets forth uniform standards and fosters effective collaboration among all stakeholders involved, including to reduce the Group's impacts on the environment, people, and the economy.

GRI 2-12, 2-13, 2-16

The Audit and Risk Committee reports to the Board of Directors and ensures the effective operation of the RMS. It monitors the integration of risk management objectives into the Group's overall goals, evaluates progress against them, and participates in reviewing and approving the risk map and risk mitigation measures. The Audit and Risk Committee conducts quarterly reviews of materials detailing the status of risk management, provides general oversight of the RMS operation, and supervises both external and internal audits.

The IAD continuously consolidates the Group's risks and evaluates the effectiveness of the RMS as part of its audit efforts. Risk owners are responsible for identifying risks, overseeing the development and execution of risk mitigation measures, and monitoring their implementation. Risk supervisors compile information from individual business units and furnish a consolidated risk map to the IAD.

GRI 2-12, 2-13

The Group adheres to a practice of routinely reporting on risk monitoring measures.

To enhance risk management's effectiveness, objectives in this area are integrated into the key performance indicators (KPIs) of both management and relevant employees.

RISK MANAGEMENT PROCESS

1. RISK IDENTIFICATION	2. RISK ASSESSMENT	3. DEVELOPING, IMPLEMENTING, AND OVERSEEING RISK MANAGEMENT MEASURES	4. MONITORING
Defining and describing a risk	Analysing a risk, its impacts, and how it may affect the Group's operations	Developing, implementing, and overseeing risk management measures to mitigate their impacts on the environment, people, and the economy	Supervising the process of identifying, assessing, and monitoring risk management measures

The risk management process commences with setting the Company's business objectives. The Company manages risks vertically, with risks to business processes identified at the individual facility level and subsequently aggregated at the Company level. The procedures and responsibilities of the process stakeholders are outlined in the Regulations on Risk Management and other internal documents.

GRI 2-25

Through continuous risk identification, the Company can proactively identify potential threats to its operations and promptly develop measures to mitigate the negative impacts of risk realisation.

The Company routinely analyses significant factors and monitors regulatory changes at both international and national levels. During strategic planning, business planning, and risk management, the Company evaluates how external and internal factors impact its key risks.

The IAD conducts quarterly monitoring of risk status, including analysing changes during the reporting period, reviewing the ongoing relevance of financial risk assessments, the likelihood of their materialisation, and the progress of mitigation measures, as well as assessing whether the new risks that emerged during the quarter were promptly identified.

TRAINING IN RISK MANAGEMENT

To foster a robust risk management culture, employees and managers take training and courses that equip them with the requisite knowledge and practical skills to analyse, assess, and manage various types of risks.

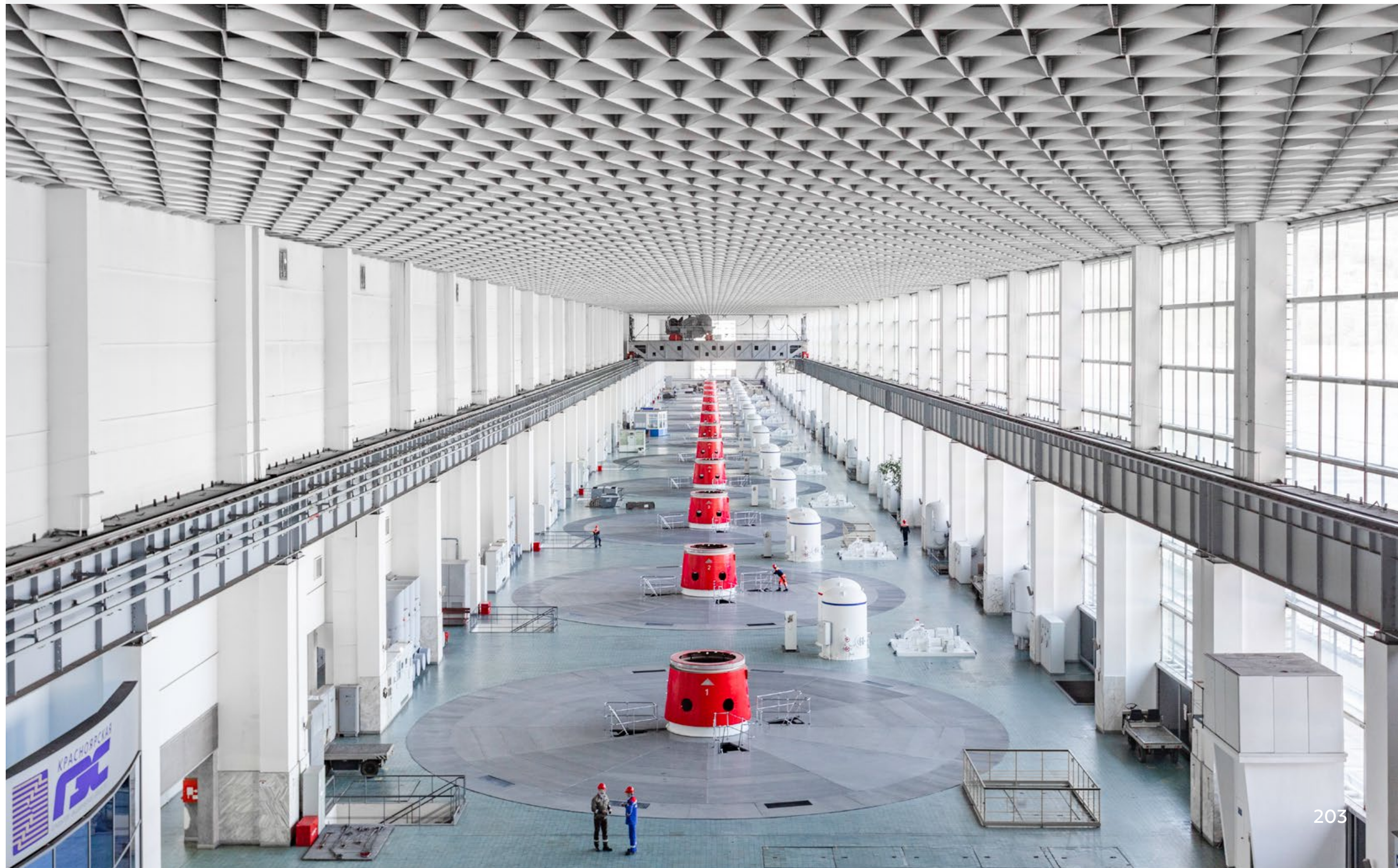
EN+ GROUP'S KEY BUSINESS RISKS

The Group's primary risks encompass those that could hinder the Company's objectives and shareholder value creation or potentially lead to significant reputational harm. To prevent or minimise potential damage, the Company is enhancing response measures tailored to the nature and magnitude of each identified risk.

The impact of a risk is determined by evaluating both its likelihood and the financial damage from its realisation. A higher probability corresponds to a more significant potential impact. The most critical risks are those with a high likelihood and significant potential financial damage.

The Company takes risk management very seriously, including for sustainability risks, and continuously analyses market trends, economic developments, and regulatory requirements to promptly identify and effectively manage potential risks. In managing risks, the Company endeavours to consider stakeholder needs and concerns when evaluating the Group's economic, environmental, and social impacts.

Sustainability risks significantly impact the Company's business model, operations, and key financial metrics. The Company acknowledges these risks and implements corrective measures, demonstrating a responsible approach to the environment, people, and the economy. This approach enables the Company to enhance its competitiveness in the market and foster a favourable perception of the Group among stakeholders.



Governance

Key risks of the Company

HIGH

- 1 Environment risks ↗
- 2 Laws and regulations risks ↗
- 3 Market risks ↗
- 4 Geopolitical risks ↗
- 6 Maintance risks ~

MEDIUM

- 5 Force-majeure risks ~
- 7 Legal risks ~
- 8 Commercial and project risks ↗
- 10 IT security& resilience risks ~
- 11 Financial risks ↗

LOW

- 9 Health and safety risks ~

- 12 Climate-related risks ~

Risk impact on the Company's operations: High / Medium / Low

Change in 2023: ↗ Higher impact / ~ No change

Description	Change in 2023	Mitigation measures
EXTERNAL AND MARKET RISKS		
1 Environment		
Risk of negative impacts stemming from legislative initiatives and law enforcement practices on the Company's day-to-day operations. Extension of new legal requirements to existing facilities. Tougher sanctions for regulatory non-compliance and delayed acquisition of permits Risk of sanctions or fines resulting from soil, water, or air pollution due to equipment failure or human error	↗	Robust operation of the environmental management system Consistent application of Environmental Policy provisions Environmental auditing and monitoring of operating processes Engagement with national and local governments on developments in environmental laws Board approval of the updated Climate Strategy to 2035 with a Vision until 2050 Continued implementation of the strategy to achieve net-zero GHG emissions

Description	Change in 2023	Mitigation measures
2 Laws and regulations		
Impact of legislative changes or their enforcement, both domestically in Russia and internationally, encompassing antimonopoly and tariff regulations, licensing and permits, and environmental and HSE regulation	↗	Monitoring changes in the regulatory frameworks Engagement with the regulatory authorities
3 Market: supply, demand, and commodity price volatility		
Business impact of fluctuations in supply, demand, and/or commodity prices critical to the Group's operations: **METALS SEGMENT** aluminium, alumina, bauxite, energy (primarily natural gas) **POWER SEGMENT** electricity prices (long-term contracts, day-ahead market) USA/EU and global recession risk	↗	Monitoring risks and conducting market research, business planning, and scenario analysis Using derivative financial instruments for partial hedging of market risks Expanding customer portfolio, expanding product range to diversify sales, and boosting sales in alternative markets Promoting highly competitive low-carbon metal and electricity
4 Geopolitical		
Risks of an adverse business impact in the event of new economic restrictions imposed by foreign governments, affecting: • company share price • equipment deliveries, leading to the postponement of investment projects and/or increased capital expenditures • capital flows and the Group's ability to secure currency-denominated credit facilities • sales mix and volumes, leading to delayed customer payments • tougher export controls for certain types of goods, works and services, including high-tech • ability to have unlimited access to software and hardware Risks of negative impacts on the operations of the Metals segment across multiple countries (such as Guinea, Australia, Sweden, Germany, and others), including raw material security and supply chain risks	↗	Monitoring geopolitical situation and relevant risks Developing and implementing risk mitigation measures, which include elaborating various scenarios, implementing counterparty KYC procedures, identifying alternative suppliers, buyers, and carriers, exploring possible replacements for imported equipment, seeking alternative sources of financing, etc. Protecting the Company's interests through legal means
5 Force-majeure: natural disasters, large-scale accidents, epidemics, etc.		
Risks of substantial damage to operating facilities and suspension or shutdown of operations at the Company's enterprises due to natural disasters, epidemics, and terrorist attacks	~	Scenario planning and developing early-response measures encompassing a range of organisational and practical actions to ensure asset safety

Governance

Key risks of the Company

Description	Change in 2023	Mitigation measures
BUSINESS AND OPERATIONAL RISKS		
6 Maintenance		
Equipment operation risks involve potential equipment failures leading to financial losses, lower productivity, or the halt of operating facilities, including situations where repair plans are not fulfilled due to failures or longer lead times for imported equipment and materials	~	Timely maintenance and repairs/overhauls of equipment; upgrades to operating facilities Searching for alternative suppliers of imported equipment
7 Legal		
Risks of potential losses arising from the enforcement of judgments on claims	~	Legal defence against claims Negotiating with claimants
8 Commercial and project		
Risks of disruptions in supply chains for goods and raw materials: sale of products from metallurgical and coal businesses relies on railway infrastructure with its uncertain availability pattern Pricing risks: monopolistic pricing in the transportation market and regulatory pricing in the electricity market Risks of time or budget overruns for projects	↗	Negotiating with suppliers and broadening the pool of potential suppliers Monitoring lead time and investment contract performance Entering into long-term contracts with formula pricing mechanisms Making spot purchases subject to economic viability Continuous monitoring of alternative markets
9 Health and safety		
Workforce or contractor injury due to human error, equipment failure, or workplace configuration, given the endemic risks within the Power and Metals segments relating to major accident hazards and asset integrity	~	Managing dedicated units tasked with developing regulatory documentation, conducting staff training, and overseeing compliance with requirements for complex and hazardous works OHS compliance checks by regulatory authorities such as Rostechnadzor, Rospotrebnadzor, etc. during both scheduled and unscheduled inspections
10 IT security and resilience		
Risks of data loss or IT infrastructure damage stemming from hacker attacks or malware intrusion Risks of malfunctions in automated information control and management systems at major industrial facilities (HPPs, CHPs, etc.)	~	Testing the IT infrastructure for security vulnerabilities Using uniform policies and procedures to ensure safety

Risk impact on the Company's operations: High, Medium, Low

Change in 2023: ↗ Higher impact, ~ No change

Description	Change in 2023	Mitigation measures
FINANCIAL RISKS		
11 Financial		
Financial implications resulting from market volatility in foreign exchange rates and interest rates Tax risks	↗	Ongoing monitoring of the Company's financial position Ensuring compliance with the terms of loan agreements with banks, including regular monitoring of financial covenant compliance Coordination of tax planning and oversight of tax assessments and payments Implementing partial hedging of currency risks, continuously monitoring and adjusting cash flow, and diversifying the debt portfolio and foreign-currency deposits
CLIMATE-RELATED RISKS		
12 Transition risks		
Financial or reputational impact due to policy, legal, technology, and market changes	~	Constant monitoring of policy, legal, technology, and market changes
12 Physical risks		
Negative impacts on operations stemming from climate change, including fluctuations in water supply and temperature variations	~	Business and scenario planning; climate research and analysis Incorporating climate-related risks and regional considerations into R&D and investment projects

For more details on climate-related risks, see the Climate Change and Energy management section on page 94-95.

PLANS FOR 2024 AND BEYOND

The Company continues to evaluate potential risks and analyse the impact of various micro- and macroeconomic conditions on its future financial position and operating results in 2024 and beyond.

2024

Governance

Corporate ethics and compliance

8 DECENT WORK AND ECONOMIC GROWTH

INTERNAL REGULATIONS

- Corporate Code of Ethics
- Anti-bribery and Corruption Policy
- Policy on Human Rights
- Diversity and Equal Opportunities Policy
- Sanctions Policy

MATERIAL TOPICS

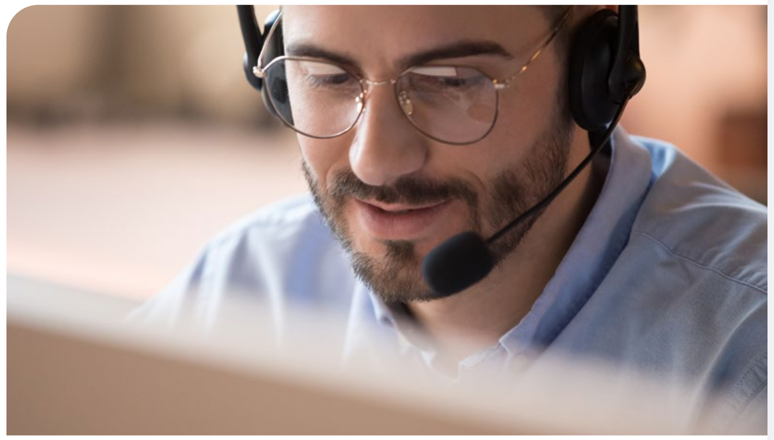
- Business ethics

>80 %

of employees trained on anti-corruption

374

employee reports received by the Signal hotline in 2023



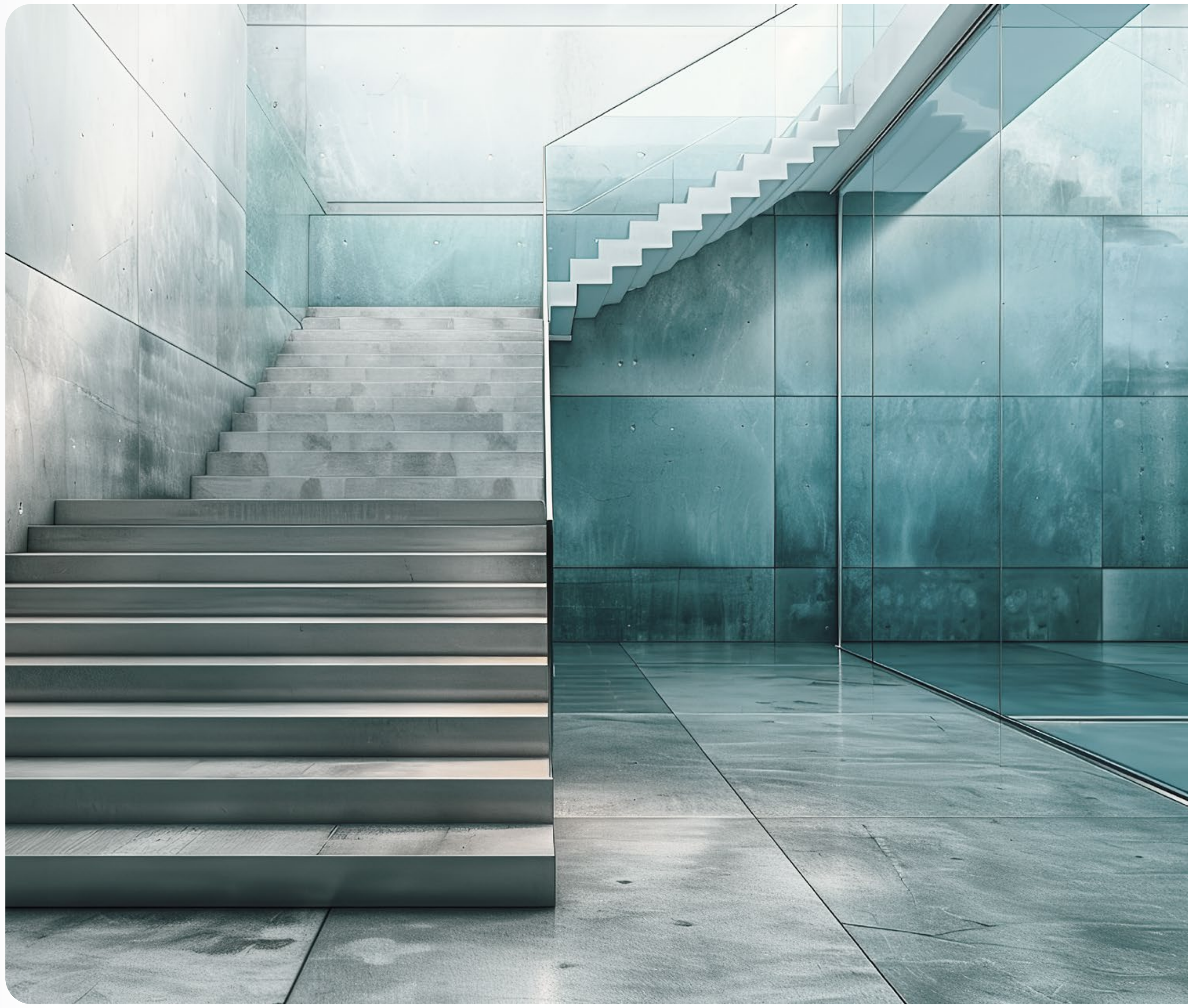
GOALS	STATUS	PROGRESS made in 2023
Have the Company listed in the consolidated register of signatories to the Anti-Corruption Charter of Russian Business and conduct an independent assessment of the anti-corruption management system to verify compliance with the ISO 37001:2016 criteria	Achieved	The Company has been included in the register of signatories to the Anti-Corruption Charter of Russian Business. The assessment yielded an AA+ class rating, indicating a robust level of anti-corruption
Ensure that at least 80% of Group employees take remote learning courses on corporate ethics and anti-corruption	Achieved	At the end of 2023, over 80% of Group employees have completed corporate ethics and anti-corruption training
Develop a training course tailored for ethics officers across the Group's subsidiaries	Achieved	The course has been developed and uploaded onto a unified learning platform, ready for future launch

GRI 2-23

En+ Group fosters a cohesive corporate culture embraced by all employees and creating an environment of mutual respect, trust, and transparency.

At the heart of our business lies a strong commitment to the highest legal and ethical standards, as formalised in our Code of Corporate Ethics. The Company upholds a zero-tolerance policy for any form of harassment or discrimination in the workplace. We expect all Company representatives to uphold our values and ethical standards in everything they do.

The Code of Corporate Ethics outlines the fundamental values, principles, and standards of business conduct expected from both employees and members of the Board of Directors. It addresses various issues arising in relationships with employees, third parties, customers, and government authorities. Additionally, it encompasses principles related to occupational health, safety, environmental protection, effective ways of working, confidentiality, control and reporting procedures, and conflict of interest management. The Code of Corporate Ethics is available in both Russian and English on the Company's corporate website.



Governance

Corporate compliance system

GRI 2-13, 2-24

En+ Group remains committed to enhancing its corporate compliance system by incorporating current legal requirements, recommendations from regulatory bodies, specific industry requirements, and best practices. The Group is focused on driving the continuous improvement of existing processes and implementing new ones. The Compliance Committee of the Board of Directors ensures control and continuous improvement of the Group's compliance management system.

Anti-corruption and corporate ethics compliance

STATEMENT FROM CHRISTOPHER BURNHAM, CHAIRMAN OF THE BOARD OF DIRECTORS

SASB EM-MM-510a.1

The Company maintains a zero tolerance policy for any form of corruption. The Company continuously strives to foster a culture of zero tolerance for corruption based on high ethical standards and measures to maintain an environment of trust, mutual respect, and integrity.

The Board of Directors is responsible for ensuring compliance with the Policy on Human Rights. Twice a year, the Compliance Committee of the Board of Directors meets in person to review the report on implemented and planned measures, analyse the effectiveness of compliance system management in general and the anti-corruption programme in particular, thus ensuring the alignment between the Company's strategy, risk management principles, and anti-corruption policy.

SASB EM-MM-510a.1

En+ Group implements all necessary measures to adopt best practices in combating corruption and consistently upholds high standards of responsible and ethical conduct. We strictly comply with the legal requirements of the countries where we operate, including Federal Law of the Russian Federation No. 273-FZ dated 25 December 2008 On Combating Corruption, the UK Bribery Act of 2010, and the US Foreign Corrupt Practices Act (FCPA).

GRI 205-1

As part of its comprehensive risk management system, the Company assesses and manages corruption risks. The Group seeks to eliminate any compliance risks within the Company and in its dealings with counterparties.

GRI 2-24

The Company has approved the Anti-bribery and Corruption Policy and the Policy on Conflict of Interest both at the Group and subsidiary levels and implemented regulations outlining the tasks, roles, responsibilities, and authority of ethics officers across the Group's entities.

In 2023, the Company became a signatory to the Anti-Corruption Charter of Russian Business and was included in the annual Anti-Corruption Ranking of Russian Business, confirming its compliance with the Charter's rigorous standards and principles. Independent experts assessed our anti-corruption management system for compliance with ISO 37001:2016 and the principles outlined in the Anti-Corruption Charter. The assessment yielded an AA+ class rating, indicating a robust level of anti-corruption.

En+ Group consistently improves current and introduces new measures to combat corruption. Particular focus is directed towards conflicts of interest, as they can increasingly become a catalyst for corruption offences. En+ Group employs an electronic system for the annual collection of conflict-of-interest declarations. This solution assists ethics officers in identifying potential conflicts of interest within the Group's subsidiaries and generating reports based on the declarations received. As an additional precaution, we conduct quarterly public-source reviews of all new hires to identify potential conflicts of interest. The Company has established protocols for identifying and investigating business ethics violations, with the findings used to inform corrective measures.

Compliance with insider trading laws

As a company whose financial instruments are traded on securities markets in Russia and the UK, En+ Group is subject to regulations on the unlawful use of insider information and market manipulation. The Board of Directors has approved the Regulation on the Information Policy and the Regulation on Insider Information. These Regulations, as well as a number of additional internal documents, define the procedure for using insider information, rules for protecting its confidentiality, and control over compliance with the requirements of applicable laws. They aim to ensure fair pricing of financial instruments and protect the rights and property interests of all En+ Group stakeholders. The Group has approved the list of insider information and maintains the insiders' roster. It has also configured timely disclosure procedures and established appropriate internal controls.

Sanctions compliance

En+ Group seeks to minimise the risk of international sanctions as far as possible by putting in place and continuously enhancing an appropriate compliance programme. The Board of Directors has approved the Sanctions Policy to ensure compliance with relevant provisions and minimise sanctions risks for En+ Group, its officers, directors, and employees.

673 instances of potential conflicts of interest were examined by The Ethics Committee

27 of which, based on the results of risk assessment, were resolved

Employee education and training

GRI 2-24

In 2023, we continued to use all available communication channels to educate employees on the Company's ethical standards and strategies for combating corruption and conflicts of interest. Upon employment, the Company educates employees on its internal documents relating to business ethics. In addition to educating employees on its policies and Code of Corporate Ethics, En+ Group offers training sessions covering various aspects of business ethics.

LIST OF DOCUMENTS FOR REVIEW

1. Corporate Code of Ethics
2. Anti-bribery and Corruption Policy
3. Policy on Conflict of Interest

MANDATORY COURSES

1. Corporate ethics course
2. Anti-corruption and prevention of conflict of interest course

>80 %

of employees trained on anti-corruption

Governance

Counterparty engagement

GRI 2-23

Maintaining business reputation is integral to our sustainability agenda. Therefore, in addition to fostering responsible business practices, we seek to partner with companies committed to a high level of transparency and possessing a solid business reputation. As part of its commitment to ethical business conduct, En+ Group has established Supplier Standards, which formalise the Group's expectations for responsible business conduct, quality assurance, and sustainability.

The Company has in place a KYC procedure whereby data for each counterparty are assessed for compliance risks, leading to the assignment of a risk label to counterparties. Following the assessment, En+ Group develops and implements measures to mitigate the identified risks.

En+ Group includes an anti-corruption clause and details about the Signal hotline into all its contracts with counterparties.

100 %

of security staff were briefed on the Policy on Human Rights.

GRI 415-1

The Company abstains from providing financial support to political parties, their candidates, or representatives both in Russia and abroad and avoids exerting direct or indirect influence on political figures.

GRI 206-1

In the reporting period, no lawsuits were filed or pending against the Company for obstruction of competition or violation of antitrust laws.

In the reporting period, no violations of the Code of Corporate Ethics by Board members were recorded.

GRI 205-3

In the reporting period, no contracts with business partners were terminated following the identification of corruption violations.

No violations of the rights of Russia's indigenous minorities were recorded during the reporting period.

The Signal hotline

GRI 2-25, 2-26

En+ Group operates the 24/7 Signal hotline for employees and other stakeholders to report incidents related to ethics violations, corruption, and other unfair practices. Any stakeholder may contact the hotline confidentially and anonymously. The Company has approved the Hotline Regulation governing the procedures for recording, processing, and storing report-related data.

For each report received, steps are taken to ascertain facts. This involves conducting interviews with employees or witnesses, analysing internal documents, and reviewing procurement documents with the assistance of the security and internal audit teams.

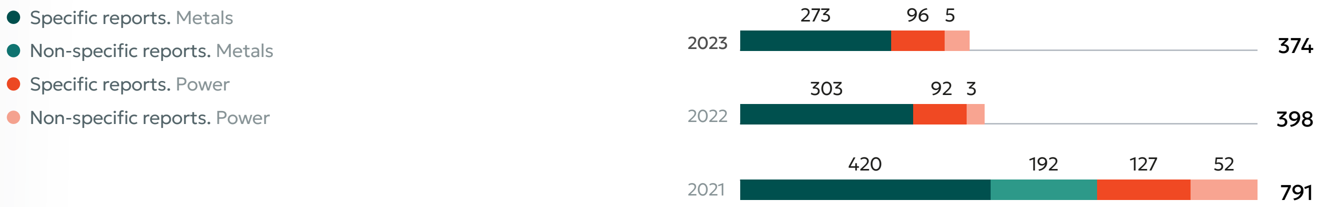
The Group's ongoing awareness campaign aims to promote this communication channel and engage all stakeholders in the continuous improvement process to build a uniform culture.

The decline in reports to the Signal hotline is attributed to our ongoing awareness drive to communicate its purpose and promote the hotline as a complementary tool within a wider strategy of raising awareness of issues. The decrease can also be explained by a larger number of communication channels now available to employees.

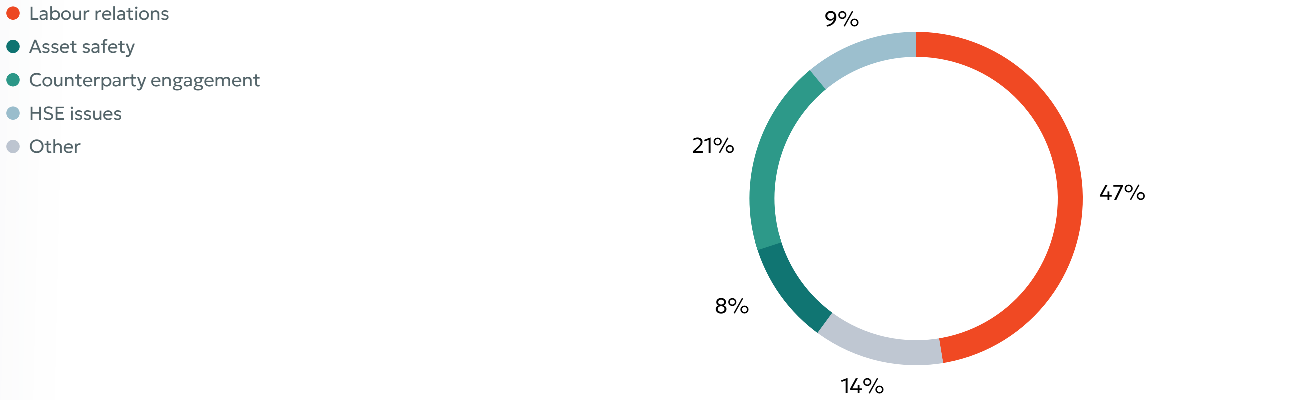
Actions taken by the Company in response to reports include:

- analysing verification findings and developing recommendations to correct malfunctioning processes/ regulations, followed by monitoring implementation
- organising a refresher training course on corporate ethics and conducting face-to-face meetings with ethics officers to clarify the Company's stance on corporate ethics in interactions with colleagues/counterparties
- disciplinary sanctions
- other measures consistent with applicable laws.

Employee reports received via Signal, quantity



Subjects of specific reports received via Signal, 2023, %



Governance

Stakeholder engagement

17 PARTNERSHIPS FOR THE GOALS

INTERNAL REGULATIONS

- Stakeholder Engagement Policy

MATERIAL TOPICS

- Corporate governance

18 facilities

within the Company's Metals segment have successfully obtained certification to ASI standards

GRI 3-3

GOAL	STATUS	PROGRESS made in 2023
Ensuring an adequate level of disclosure	Achieved	The Company has delivered an adequate level of disclosure

En+ Group publishes the annual Communication on Progress report under the UNGCP initiative

ESG II-b

(or ESG-A on the Bank of Russia's scale) ESG rating was assigned to En+ Group by the Expert RA rating agency

GRI 2-29

En+ Group is committed to transparent engagement with its stakeholders. To achieve this, the Company employs a mix of communication channels to take into account stakeholder interests and expectations, placing a particular emphasis on feedback. We also monitor actual and potential negative impacts of our operations, striving to minimise them.

En+ Group's stakeholder engagement is governed by its Stakeholder Engagement Policy, designed to achieve three main objectives: pursuing every opportunity to build mutually beneficial partnerships, maintaining respect for all stakeholders, and proactively preventing or resolving conflicts through a collaborative effort. The Policy sets forth procedures and mechanisms for engaging with stakeholders, and the Company's responsibilities in this area.

En+ Group's methodology for identifying stakeholder groups includes the following criteria:

- En+ Group's significance for stakeholders
- stakeholders' significance for En+ Group
- engagement frequency
- the impact of the Company's operations on stakeholders
- the stakeholders' impact on the Company's operations.

Governance

GRI 2-13, 2-25, 2-26, 2-29, 3-3

Stakeholder engagement

On a regular basis · Scheduled calendar meetings · Upon request

Stakeholder interests and expectations	Engagement methods	Responsible unit and engagement frequency	Value created for stakeholders in 2023
Associations and initiatives			
• Improving the transparency of aluminium production processes • Transitioning to the production of low-carbon aluminium • Raising demand for low-carbon aluminium • Developing and rolling out standards to mitigate negative environmental impact, and foster responsible and transparent business practices	• Participation in meetings • Facilitating discussions and collaborative decision-making process within En+ Group through various communication channels • Preparation of annual reports • Participation in working groups and committees • Information events • Joint events	Directorate for International Cooperation Sustainable Development Directorate	A separate category, Baikal Without Plastic, has been approved as part of En+ Group's grant competition For more details, see page 219.
Customers and suppliers			
• Transparency and openness in reporting and strategy, environmental and social responsibility • Distributing information about the Company's product range, pricing, and product markets • Contract support and prompt decisions on new contracts	• Regular meetings • En+ Group's participation in dedicated forums and conferences • Verifying the financial, tax, and reputational status of suppliers, accompanied by mandatory technical audits • Voluntary ESG accreditation • Providing information as and when required • Joint events	**Customers** Sales and Marketing Office **Suppliers** Commercial Department	62% share of purchases from local suppliers 1.3 million tonnes of ALLOW low-carbon aluminium sold For more details, see page 224.
En+ Group employees			
• Safe working conditions and fair remuneration • Compliance with labour laws • Achieving equality and diversity • Supporting labour rights	• Intranet portal for employees • Employee satisfaction surveys • Signal corporate hotline • Liaising with work councils and ethics officers • Regular open discussions involving the Company's management • Provision of social benefits and medical care • Housing support (private housing projects, mortgage)	HR Administration Corporate Communications Department	85% employees covered by collective bargaining agreements 79.8% employee satisfaction For more details, see page 151.
Government authorities			
• Strong operational, environmental and social performance • Regulatory compliance	• Facilitating access and providing necessary information to supervisory bodies as outlined in the Barker Plan • Email communication, official correspondence • Participation in workshops, round tables and ministerial, interagency, and regional meetings	Government Relations Department; heads of regional units	42 RUB bn (491 USD mn) of mandatory payments made For more details, see page 330.

Stakeholder interests and expectations	Engagement methods	Responsible unit and engagement frequency	Value created for stakeholders in 2023
Non-profit organisations (NPOs) and local communities			
• Effective sustainable development programmes • Increasing the number and transparency of environmental projects by providing detailed information, including quantitative data, for all project stages • Increasing the number of jobs available to local communities	• Participation in dedicated forums and conferences • Providing information as and when required • Mandatory disclosures through the Company's reports • Annual community surveys • Holding public events • Grant competitions to support local NPO initiatives • Annual public consultation to discuss the reports related sustainable development topics • Consideration of applications through public receptions	**NPO** Corporate Communications Department Sustainable Development Department **Local communities** Corporate Communications Department Committees on Social Investments	5.3 RUB bn (USD 62.3 mn) invested in social development 21 projects approved for support in Environmental project grant competition For more details, see page 153.
Metal and stock exchanges			
• Raising demand for low-carbon aluminium • Preparing financial statements and corporate governance information in line with stock exchange requirements • Transparency and openness in ESG reporting, strategy, and information	• Participation in meetings and joint discussions • Participation in conferences and forums • Providing information as and when required • Submitting regular reports detailing the Company's performance	Strategy and Capital Markets Department	Financial and non-financial disclosures to increase transparency and ensure compliance with stock exchange requirements For more details, see page 214.
Rating agencies (including ESG rating agencies)			
• Increasing the transparency of environmental, social and governance disclosures • Development of corporate policy and procedures	• Providing information as and when required • Mandatory disclosures through the Company's reports • Publishing official press releases on the Company's website	Strategy and Capital Markets Department	ESG II-b or ESG-A— ESG rating assigned by the Expert RA rating agency
Shareholders, investors, and financial analysts			
• Strong and sustainable financial performance • Share price performance • Short-term and long-term Company development strategy • Compliance with disclosure and corporate governance requirements	• Regular electronic communications • Publication of mandatory periodic reports • Official press releases on various events • Mandatory issuer disclosures	Strategy and Capital Markets Department	14.7% adjusted EBITDA margin

Governance

GRI 2-28

Partnerships and collaborations

En+ Group strives to set an example for other market participants and promote diverse sustainability aspects both domestically and internationally. The Company believes that by fostering collaboration and partnerships, even the most ambitious global challenges can be successfully solved.

Promoting the sustainability agenda

En+ Group actively contributes to the advancement of both national and international sustainability agendas.

ORGANISATION	EN+ GROUP ROLE
National ESG Alliance	En+ Group is one of the founding members of the National ESG Alliance, a business association dedicated to driving ESG transformation. En+ Group Director for Sustainable Development serves as the head of the ESG-Alliance Climate Working Group. At En+ Group's initiative, the ESG-Alliance organised a Business Contribution to Climate Projects session on the sidelines of the 28th Climate Conference of the Parties to the UNFCCC (COP-28). Climate verifiers from India and Qatar took part in the panel discussion.
United Nations Global Compact (UNGC)	The United Nations Global Compact (UNGC) is the largest international initiative for businesses committed to sustainable development. Starting from 2019, En+ Group has been publishing an annual Communication on Progress report detailing its efforts within the United Nations Global Compact Principles (UNGC). Additionally, En+ Group specialists actively participate in events hosted by the UNGC. En+ Group is also involved in the activities of the UNGC Network Russia, with the Company's Director for Sustainable Development serving on its governing council.
Business 20, B20	En+ Group and RUSAL are among companies preparing policy recommendations on climate change, carbon pricing, sustainable development and the green energy transition through B20 for the leaders of the Group of Twenty (G20), an international forum for 19 leading world economies, the European Union and starting from 2023, the African Union. In 2023, En+ Group actively contributed to the work of the Task Force on Energy, Climate Change, and Resource Efficiency, and the Action Council on ESG in Business. Among the B20 recommendations was En+ Group's proposal to harmonise standards for monitoring and reporting emissions, driving cross-border recognition of national disclosures at the international markets. This includes tracking the production and consumption of renewable energy through appropriate market-based instruments such as energy attribute certificates (e.g. green certificates). Since 2020, En+ Group has consistently advocated for cross-border recognition of green certificates within the B20 framework. En+ Group supported the concept of linking carbon markets. Thus, linking carbon markets can increase the cost-effectiveness of emissions reductions, support investment into lower income countries and support international cooperation.
BRICS Business Council	En+ Group chairs the Russian Chapter of the Energy and Green Economy Working Group at BRICS Business Council.In 2023, the key recommendations of the Working Group, developed in cooperation with international partners, included the creation of BRICS Energy Skills Roadmap, the establishment of BRICS Clean Energy Fund, and the advancement of the BRICS Energy Cooperation Forum, established in 2022 under the Chinese presidency with support from En+ Group. En+ Group presented "New Energy" modernization programme at the second BRICS Energy Cooperation Forum.

Promoting the sustainability agenda

ORGANISATION	EN+ GROUP ROLE
Baikal Plastic Free Alliance	In 2023, En+ Group provided financial support to the Baikal Plastic Free Alliance, facilitating various initiatives aimed at curbing microplastic pollution in Lake Baikal. Among these efforts was an expedition that successfully retrieved more than 2 tonnes of sunken fishing nets from the lake's depths. More information about the activities of the Association on page 121.
International Chamber of Commerce (ICC)	In the reporting period, the International Chamber of Commerce (ICC), an organisation bringing together global companies to foster business dynamism, hosted a roundtable discussion dedicated to Climate Projects, with En+ Group's Metals segment acting as the moderator for this event.

Transparency and certification

En+ Group demonstrates its commitment to sustainability principles and responsible practices through extensive disclosure and certification processes, fostering industry-wide transparency.

ORGANISATION	EN+ GROUP ROLE
Aluminium Stewardship Initiative (ASI)	ASI is an international standards development and certification body focused on advancing responsible practices across the aluminium value chain. The En+ Group's Metals segment assists ASI in developing certification systems and promoting the widespread adoption of standards. By the end of 2023, 18 entities were certified under ASI standards.
International Aluminium Institute (IAI)	The International Aluminium Institute brings together the global aluminium community to advocate for responsible production, sustainable use, and recycling of aluminium. Since 2002, representatives from the En+ Group's Metals segment have been actively involved in the Environment and Energy Committee, the Health Committee, and various other initiatives within the Institute.
Carbon Disclosure Project (CDP)	CDP is a non-profit charity that runs the global disclosure system for investors, companies, and regions. In 2023, En+ Group and RUSAL submitted their respective climate change reports to the CDP.
International Organization for Standardisation (ISO)	The International Organization for Standardization (ISO) brings together global experts to establish standards for responsible business practices. En+ Group's enterprises periodically obtain certification for management systems across various domains.

Governance

Energy transition

En+ Group actively promotes the standardisation of both new and existing hydropower facilities to facilitate the energy transition. It also maintains a portfolio of projects focused on boosting renewable generation.

ORGANISATION	EN+ GROUP ROLE
UN Energy Compact	En+ Group was the first Russian company to join the UN Energy Compact, a United Nations initiative in sustainable energy to advance the achievement of SDG 7 (Affordable and Clean Energy). Since 2021, the Company has consistently provided updates to the UN Energy Compact Secretariat regarding the progress made in implementing the New Energy modernization programme and the En+ Group's Renewable Energy Certificates project.
Hydropower of Russia Association	The Hydropower of Russia Association brings together Russian companies with the aim of advancing the hydropower sector and enhancing its performance and reliability through collaboration and joint problem-solving efforts. In 2023, Rosstandart approved GOST R, a standard developed by the Association that outlines methodologies for evaluating the technical condition of generators and hydraulic turbines. En+ Group has been an active participant in the working groups developing these methodologies.

Climate and biodiversity

En+ Group acknowledges the climate impact of its operations and is actively pursuing measures to mitigate GHG emissions, with the goal of achieving net zero by 2050. Moreover, En+ Group is actively involved in global efforts to mitigate climate change.

ORGANISATION	EN+ GROUP ROLE
Carbon Pricing Leadership Coalition (CPLC)	En+ Group and RUSAL are the only Russian members of CPLC a voluntary partnership under the auspices of the World Bank to advance global carbon pricing. En+ Group and RUSAL regularly contribute language to CPLC annual reports. In the latest CPLC Carbon Pricing Leadership Report 2022/23 En+ Group highlighted its commitment to achieve net-zero GHG emissions by 2050, as well as its initiative to measure GHG emissions from HPPs reservoirs instrumentally.
Climate Partnership of Russia	Climate Partnership of Russia is a coalition of Russian companies dedicated to advancing the climate agenda in Russia by facilitating dialogue among businesses, government bodies, the scientific community, and the general public. In 2023, the partnership organised events focusing on carbon regulation, Russia's climate agenda trends, and various events in the run-up to and following the COP-28.
Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC)	En+ Group and RUSAL regularly participate in the UNFCCC COP meetings. In 2023, under the auspices of the UN Global Compact Network Russia, En+ Group hosted two sessions focused on market-based mechanisms for achieving net zero and the significance of waste management in mitigating climate change. Representatives of various business associations and research institutes from India, China, South Africa, and Brazil presented their projects and case studies at the sessions.
Race to Zero	Race to Zero is a global initiative launched by the Climate Champions dedicated to achieving net zero. En+ Group is a member of the initiative as a signatory to the Business Ambition for 1.5 °C initiative.

Governance

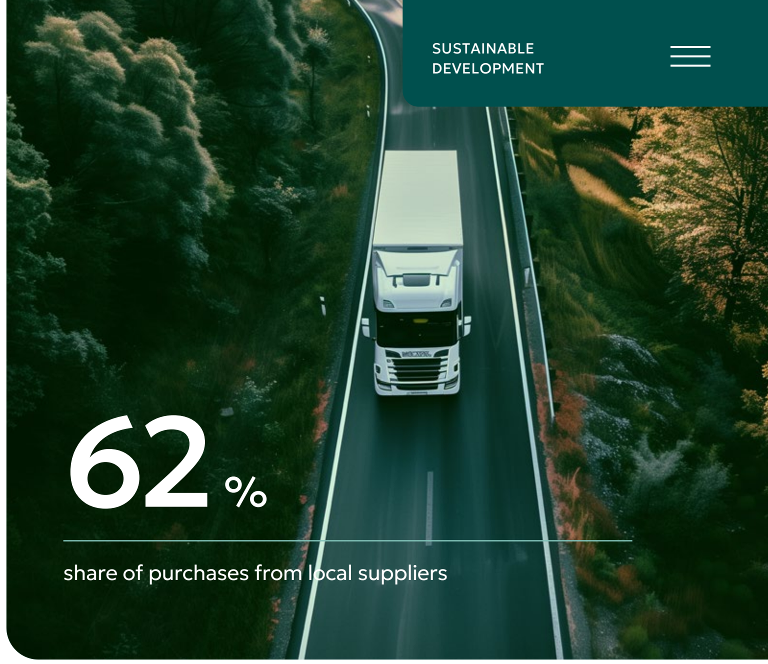
Supply chain management

INTERNAL REGULATIONS

- Supplier Standards
- Procurement Regulations
- Customer Liaison Regulations

MATERIAL TOPICS

- Sustainable supply chain



62 %

share of purchases from local suppliers

100 %

of suppliers operate with no actual or potential negative social impact

GOALS	STATUS	PROGRESS made in 2023
Streamlining supplier assessment and supplier claims processes in the Power segment through automation	On track	First stage completed
Expanding the Advanced Product Quality Planning (APQP) process to include other Company business units in order to enhance the certification process	On track	The Regulations on Qualification of Raw Materials and Supplies Producers were revised. An extension of the APQP process to the Directorate for New Projects of the Metallurgical Industry has been prepared
Developing and testing a pilot module for the counterparty assessment system based on quality and expanding the scope of system application to cover supplier audit planning and monitoring schemes within the Metals segment	On track	The automation of modules involved in rating assessment and data collection used in calculations has been completed, including Raw-Material Suppliers Database, Supplier Audits, Raw-Material Producers Certification, and Raw and Other Materials Non-Conformity Register

Governance

Management approach

GRI 3-3

Supply chain sustainability is crucial to the Company's stability, which is why En+ Group places a strong emphasis on supplier selection.

GRI 2-13

Inventory procurement and coordination of the procurement process for works and services for the Power segment internal customers are centralised within the EuroSibEnergo Trading House, the commercial expertise hub of the Group.

The Metals segment uses purchasing centres that supply products and services to divisions and facilities.

The Company consistently monitors developments in Russian and international laws. This enables the timely updating or development of new internal documents aimed at regulating and streamlining supply chain management and engaging with suppliers of goods, works, and services.

For more details on key operating processes, see pages 334-335.

En+ Group has adopted a systematic approach to identify and evaluate supply chain risks. Identified risks include:

- risks of disruptions in supply chains for goods and raw materials
- risks of monopolistic pricing in the transportation market
- risks of time or budget overruns for projects.

In 2023, there were no changes to the supply chain arrangements or structure.

The Power segment maintains partnerships with equipment suppliers from Russia, Kazakhstan, and China as part of its import substitution efforts for critical goods and to ensure stable supplies from overseas.

The Metals segment is predominantly sourcing from Russia, China, as well as Kazakhstan, the Caribbean, Europe, and Africa.

In 2023, the Power segment expanded the Supplier Online Account's functionality; it now helps interact with suppliers, enhancing communication efficiency through process automation.

Key products procured by entities:

METALS SEGMENT

- Energy supply services
- Alumina
- Raw materials used in the production of primary aluminium and alloys
- Fuel
- Production plant maintenance and repair services

POWER SEGMENT

Goods

- Electrical primary and auxiliary equipment and spare parts
- Heating primary and auxiliary equipment and spare parts, chemical water treatment equipment
- Petroleum products, fuels, and lubricants including fuel oil, diesel fuel, and petrol
- Cable products
- Personal protective equipment and workwear
- Rolled metal and pipes
- Computer equipment and associated spare parts

Works and services

- Electrical primary and auxiliary equipment repair and maintenance services
- Development of project and design engineering documents
- Conducting engineering surveys and land surveying works
- Conducting construction and installation and pre-commissioning operations
- Overhead line repairs
- Hydraulic structure repairs

Supplier Standards are available on the Company's website

Requirements for suppliers and contractors

When selecting suppliers and contractors, En+ Group assesses their operations for compliance with sustainability principles. In accordance with the Supplier Standards approved in 2021, the Company requires suppliers to comply with laws, maintain product or service quality control, conduct business ethically, and ensure human rights observance.

GRI 2-24, 407-1, 408-1, 409-1

Running a responsible supply chain helps the Company avoid human rights risks throughout the value creation process. En+ Group does not engage suppliers whose operations:

- violate the rights to freedom of association and collective bargaining
- involve a high risk of child or forced labour.

For more details on human rights, see pages 142-143.

GRI 308-1, 308-2, 414-1, 414-2

By conducting internal and independent external supplier audits and assessments at various stages of engagement, En+ Group endeavours to prevent negative impacts on people and the environment within its supply chain. Should the Company identify any negative impact during its audits, it retains the right to terminate its business relationship with such suppliers.

100% of contractors have been screened for social compliance. The Metals segment has screened 30 new suppliers for environmental compliance. Moreover, En+ Group routinely monitors the conformity of suppliers' and contractors' certifications to international standards such as ISO 14001, ISO 45001, and others. The Company also certifies its suppliers against the requirements of IATF 16949 и GOST R 58139 and applies the advanced product quality planning approach (component manufacturing approval process).

METHODS TO VERIFY SUPPLIERS WITHIN THE METALS AND POWER SEGMENTS

	METALS SEGMENT	POWER SEGMENT
Potential and new suppliers	• Certification assessment • Reviewing documentation, transactions, and publicly available materials on potential counterparties • Voluntary ESG accreditation	• Vendor and contractor audits, incorporating economic security measures and due diligence reviews • Participation in industry exhibitions showcasing manufacturers and developers • Assessment of compliance with the requirements of Federal Law 223-FZ On Procurement of Goods, Works and Services by Certain Types of Legal Entities • Assessment of compliance with the experience and qualification requirements set forth in the Power segment's internal regulations • Assessment of business ethics and reputation of suppliers and contractors • Technical audits • "Know Your Customer" procedure to assess compliance risks
Current suppliers	• Routine inspections and audits to check compliance with relevant requirements, including occupational health and safety standards (included in contracts). • Supplier rating assessment • Use of penalties for non-compliance	• Vendor and contractor audits, incorporating economic security measures and due diligence reviews • Analysis of performance indicators • Audits to check compliance with occupational health and safety standards • Verification of compliance with waste disposal requirements

Governance

The Metals segment is actively pursuing initiatives to establish a sustainable supply chain as part of its Sustainable Development Strategy until 2030. The Strategy seeks to include 80% of suppliers in a sustainable and ethical supply chain for raw materials, finished products, goods, and services by 2025 (and achieve full coverage by 2035). This will be achieved by implementing an in-house accreditation, assessment, and verification system for ESG compliance.

In 2023, the Metals Segment developed and launched Supplier Online Account, an information and analytical system enabling suppliers to undergo ESG accreditation. The Metals segment's procurement service uses the Online Account feature to collect supplier data and review accreditation results.

Along with launching the Online Account feature, the Metals segment published the user training course for procurement services and prospective suppliers planning to undergo ESG accreditation. Based on the results of the certification assessment and ESG accreditation, the Metals segment offers guidance to suppliers and rolls out development programmes to ensure suppliers' compliance with the segment's requirements.

Hotline for reporting violations

En+ Group continues to maintain the Signal hotline, a single dedicated speak-up hotline that receives reports from suppliers and other stakeholders.

The hotline serves as a confidential platform for reporting violations, including the option for anonymous reporting, and for seeking guidance on standards application. Two communication channels are available to report violations:

- Call 8 800 234-56-40 (toll free)
- Write an e-mail to: signal@enplus.ru

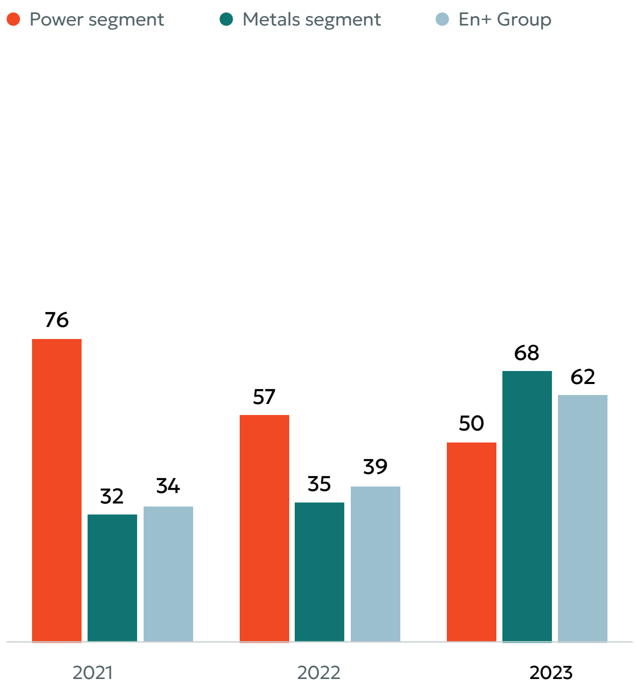
Local supplier support

GRI 2-6, 203-2, 204-1

In an effort to bolster economic development within its regions of operation, En+ Group actively procures from local suppliers. In 2023, En+ Group's procurement from local suppliers accounted for 62% of its total purchases, up by 23 p.p. from the previous year due to the change in Metals segment's approach to identifying local suppliers.

In 2023, the Company maintained its support for small- and medium-sized enterprises by offering various benefits, such as extending the grace period (up to seven days) for payments and simplifying the bidding process for tenders and auctions. Small- and medium-sized enterprises accounted for 40.7% of the total procurement spend in Power segment.

Proportion of spending on local suppliers in 2023, %



Local supplier definition

Metals segment
Local suppliers are companies that are registered in the country of operation of the Metals segment enterprise, that makes the purchase

Power segment
Local suppliers are companies registered within the regions where the segment operates, including the Irkutsk Region, Krasnoyarsk Territory, Nizhny Novgorod Region, Republic of Tyva, and Republic of Khakassia

PLANS FOR 2024 AND BEYOND

1. Complete the revision of the Business Partner Code and have it approved
2. Extend the supplier certification procedure to the Directorate for New Projects of the Metals segment
3. Implement a number of pilot projects such as:
   - umbrella purchases, category-based procurement, long-term contracts featuring formula-based pricing, etc.
   - consolidating procurements with an extended planning horizon, facilitating joint procurement among customers, ESG surveys of contractors, and automating feedback collection
4. Automate specific business processes and streamline and enhance the transparency of procurement procedures
5. Expand the roster of potential contractors and suppliers to drive competition using SEO promotion tools
6. Ensure effective engagement with customers by enhancing procurement literacy and establishing local competency centres, contributing to customer projects, particularly those focused on digitisation and sustainability

Governance

Responsible business practices

QUALITY MANAGEMENT

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

INTERNAL REGULATIONS

- Quality Policy

MATERIAL TOPICS

- Economic performance

96 %

share of responding customers who gave RUSAL the highest rate

GOAL	STATUS	PROGRESS made in 2023
Develop online services for customers	On track	Add new functionality to the Company's online services

Management Approach

GRI 3-3

En+ Group constantly improves the quality of its services and products throughout the life cycle. This commitment is demonstrated through compliance with the relevant standards, fostering trust-based relationships with customers, providing regular training for employees, and actively engaging them in quality management procedures. The Group strives to prioritise customer satisfaction and deliver top-notch products by adopting innovative solutions and continuously improving operating processes.

En+ Group actively collaborates with stakeholders to address quality concerns. The Company receives feedback from customers through various channels, including webinars, trade shows, conferences, and seminars. Furthermore, consumers have the opportunity to review product specifications and address quality-related inquiries through the Customer Online Account on the Group's information portal. Consumers may also conduct their own audits by visiting the Metals segment's facilities. No concerns were identified as part of the 2023 audit.

The Company believes that employee engagement and ownership of these issues are key to enhancing product quality. To boost engagement, En+ Group is building the required employee competencies and rolls out an effective incentive system and various tools to elevate its specialists' professional level. Specifically, the Company has established the Quality Academy, providing employees with the essential skills for the efficient operation of the quality management system (QMS). Training is structured in a hybrid format, encompassing self-training, in-person theoretical and practical sessions, video and audio consultations, and participants' presentations of personal projects. The course involves two weeks of on-site training at one of the Company's facilities, followed by six weeks dedicated to project implementation at the employee's home facility.

In the reporting year, the Company focused its QMS improvement efforts on the Power Segment. This involved proactive upgrades of essential equipment for uninterrupted power supply and the integration of supplementary features into En+ Group's customer applications.

Key principles guiding the operation and enhancement of the quality management system

Consumer focus

Adopting a customer-centric approach when dealing with consumers

Best and reliable suppliers

Cultivating long-term relationships with partners that support a culture of continuous improvement

Cultural values

Creating an environment conducive to developing employee competencies

Business excellence model

Following sustainability principles

Continuous improvement and value creation

Incorporating cutting-edge innovations and state-of-the-art technical solutions into the production process

Accountability

Accountability for compliance with the Quality Policy expected from both management and every employee

Built-in quality

Quality control throughout the entire manufacturing process

Governance

ENHANCEMENT OF CUSTOMER MOBILE SERVICES

In 2023, participants of the Energy Lab accelerator programme incorporated a Report an Outage feature into customer information services. Local consumers will have access to this feature through their online accounts, the app, and the Company's website.

In the reporting year, the Group increased its contact centre capacity by hiring more operators and redistributing daily workload. Additional communication channels are readily accessible to customers: they can submit requests through an application, the Company's social media accounts, or request a callback.

The OOO Irkutskenergosbyt call centre has introduced a voice assistant capable of receiving meter readings from retail customers and entering them into the database. The Company is also exploring the possibility of directing calls and inquiries from legal entities to a voice assistant. Furthermore, specialists are also considering entrusting artificial intelligence with the task of notifying customers about emergency outages. Customers will be invited to submit requests detailing incident locations, with robotic assistants handling and then forwarding them to human operators for response.

Customers, particularly the elderly, having difficulties installing and using En+ Group's applications can seek assistance from employee volunteers. With the aid of digital services and volunteer support, more customers will now have the option to send documents to the Company, submit their meter readings, or pay utility bills from the comfort of their homes.

IMPROVING QUALITY THROUGH THE DEPLOYMENT OF MODERN TECHNOLOGIES

En+ Group started to roll out remote control systems for heat pumping stations at its facilities in Irkutsk.

The innovation enables the dispatcher to not only monitor parameters and equipment at the pumping station but also remotely control them from the central control room. This reduces the response time to emergency situations and facilitates rapid switching to backup equipment when necessary.

The adoption of this new control format markedly improves the quality of En+ Group's heat supply services. In the future, the Group intends to roll out remote control systems across all pumping stations within the city.

IMPROVING THE QUALITY AND RELIABILITY OF ELECTRICITY SUPPLY

5 new substations

launched by the Company in Irkutsk, Irkutsk and Shelekhovsky districts within the framework of the Teplovoy Luch project in the reporting year

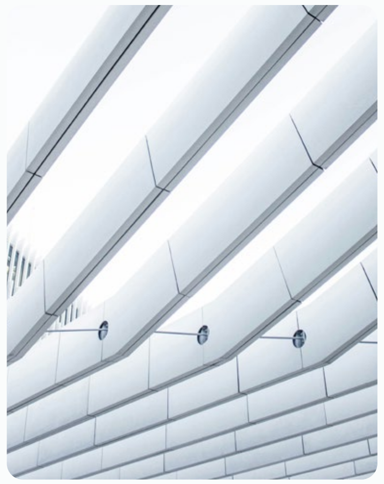
The En+ Group's Teplovoy Luch project in these regions encompasses the construction of the largest heat pipeline in the past 50 years.

Introducing the new heat pipeline will enable the disconnection of coal and fuel oil-fired boilers while connecting residential buildings and social facilities to the network. In doing so, the Company actively contributes to the improvement of environmental conditions in the region.

>5.5 km

of the heat pipeline expected to span by 2026

Energized for action



GRI 3-3

En+ Group is continuously enhancing its products, ensuring they meet the highest global standards. To achieve this objective, all finished products within the Metals segment undergo mandatory labelling in accordance with product data sheets, specifications, and state standards. The facilities also undergo independent annual assessments to ensure compliance with quality standards.

Thus, in 2023, certification was carried out to validate compliance with international standards ISO 9001 and IATF 16949 as well as the national standard GOST R 58139.

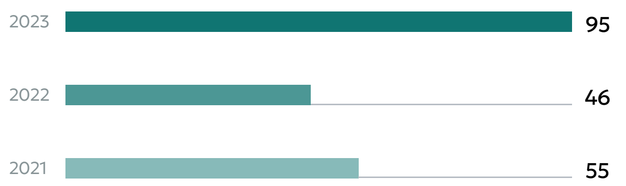
Facility certification

ISO 9001	GOST R 58139	IATF 16949
QMS principal standard	Standard for the automotive industry	Standard for the automotive industry
25 facilities (Alumina Division, Aluminium Division, Downstream Division, and New Projects Directorate)	7 aluminium smelters	2 aluminium smelters

GRI 3-3

The Group also gauges customer satisfaction levels and the Company's ratings as a supplier and runs focus programmes seeking to enhance the quality of manufactured products. The Company's Zero Defects strategy applies to all procurements impacting product quality: every shipment of raw and other materials must meet contractual and regulatory requirements. In the reporting period, the Company received 95 consumer complaints about substandard product quality. Investigations have been conducted into each report, leading to necessary and appropriate actions in response to each specific case.

Number of customers' quality-related reports



PLANS FOR 2024 AND BEYOND

Continue to develop online customer services.

2024

Governance

DIGITAL TRANSFORMATION

8 DECENT WORK AND ECONOMIC GROWTH

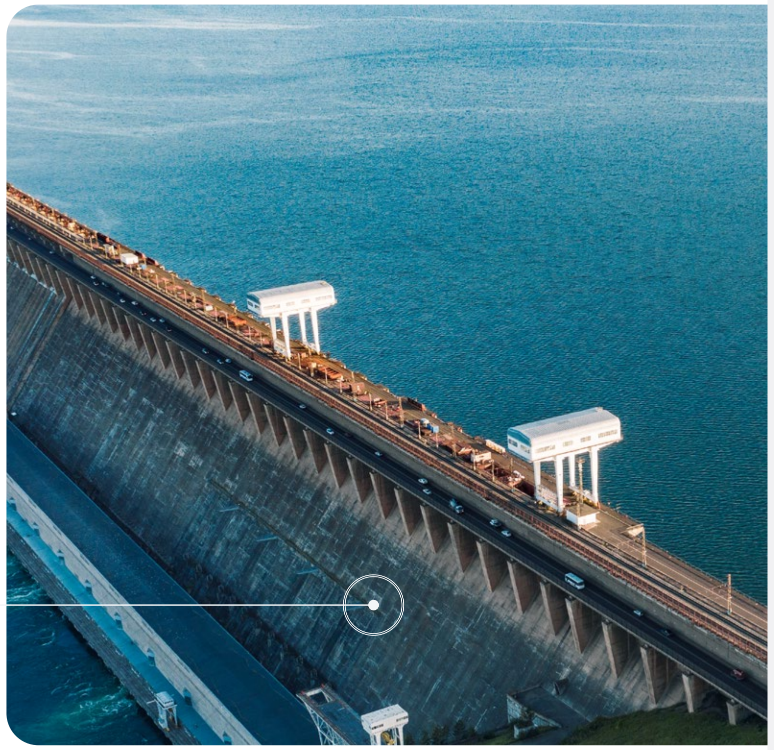
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

INTERNAL REGULATIONS

- Digital transformation strategy

MATERIAL TOPICS

- Economic performance



A new automated predictive diagnostic system was launched at Bratsk HPP

GOALS	STATUS	PROGRESS made in 2023
Execute end-to-end automation projects in accordance with the established plans	On track	Measures are being taken in accordance with the schedule
Develop and implement a comprehensive Power Segment Digital Transformation project	On track	Measures are being taken in accordance with the schedule.
Launch the Digital Project Office project and open Artificial Intelligence and Big Data, Industry 4.0, and Digital Logistics laboratories	On track	The Artificial Intelligence and Big Data and Industry 4.0 laboratories were opened, with the remaining projects thoroughly developed and primed for competitive procedures
To establish a consolidated digital ESG data loop within the Metals Segment by 2025, followed by the integration of 100% of ESG metrics into a single information platform. This platform will enable big data-driven decision making on environmental, social, and corporate governance aspects	On track	• An ESG data collection and calculation system has been developed, commissioned, and seamlessly integrated with various data sources • ESG data sources are being analysed to assess their viability for generating ESG metrics

Management Approach

GRI 2-13, 3-3

En+ Group consistently enhances operating processes, ensuring effective management and timely oversight. This is primarily facilitated by the Group's implementation of digital products, services, and solutions for business units and employees, alongside the automation of business processes. Furthermore, the Group systematically gathers and analyses big data sets, leveraging them to train artificial intelligence models to perform operational tasks.

The Group has a Digital Transformation Directorate whose main task is to implement the digital transformation strategy, introduce innovative digital solutions to achieve maximum operational efficiency.

In 2023, En+ Group revamped the digitisation and automation management structure by consolidating the automation and digitisation management entities into a unified automation and digitisation management company. Moreover, in Power segment it was established Industry 4.0 laboratory, which accumulates the world's best practices for implementing digital solutions in production, and also launches the "Digital Project Office" project with the functions of business analysis, generation of digital initiatives and life cycle management of digital solutions for production.

Within the Metals segment, the Information Technology Directorate (ITD) oversees automation and digitisation aspects. Moreover, cross-functional teams with specialised expertise are being established within the segment to drive the development and rollout of new digital products.

The Digital Transformation Strategy is the core document formalising En+ Group's objectives for digitisation and automation, along with the necessary tools and actions to achieve them.

In the reporting year, the Metals segment adopted its own strategy for 2023–2030 named Digital Company. To attain the objectives outlined in the strategy, the segment is presently executing an end-to-end automation programme, with plans to commence a digitisation programme upon its completion. The strategy incorporates a wide range of digitisation and automation initiatives, ranging from upgrading digital infrastructure and refining automated process control systems (APCS) to deploying MES and corporate systems. Furthermore, it involves piloting digital projects such as computer vision, machine learning, and process robotisation across existing, upgraded, and newly commissioned facilities.

For more details on the Digital Transformation Strategy and the Company's approach to managing automation and digitisation, see the En+ Group Consolidated Report 2022, pages 184–185

Automation

- Routine task automation for all Company services
- Development of analytical tools and automated reporting systems
- Creation of a single enterprise-wide data warehouse
- Deployment of disruptive digital technologies
- Deployment of management enterprise systems (MES) to streamline operations automation
- Standardisation and centralisation of processes, expertise, competencies, and automation tools
- Protection of IT data and supporting infrastructure against accidental or intentional interference
- Incorporation of ESG considerations into automation and digitisation projects

Digitisation

- Introduction of a product-based approach to digital solution development

  Elements of the product-based approach have been implemented: digitisation initiatives and requests are now aligned with a regularly updated catalogue of digital industrial solutions. This enables the selection of off-the-shelf solutions or the commencement of software development with a scope for subsequent scalability across the Group
- Development of a digital skills training and advancement system for all Company employees

  Within the En+ Group Leaders programme, employees from the Company's laboratories devised and held training courses on Modern Digital Products in the Energy Sector. The content generated will serve as the foundation for subsequent training targeting broader audiences
- Implementation of business-specific digital solutions

Governance

Automation and Digitisation Projects

En+ Group is implementing automation and digitisation projects across various domains. The digital solutions we develop and implement serve a dual purpose: they enhance the efficiency and reliability of operating processes while ensuring the Company's sustainable development. They encompass reducing environmental impact, securing occupational health and safety controls, developing educational platforms, simplifying supplier management, streamlining supply chains, and other aspects.

For more details on the Company's key automation and digitisation projects and their feed into sustainability, see **En+ Group Consolidated Report 2022, pages 186–187**

DEVELOPMENT OF PREDICTIVE ANALYTICS SYSTEMS FOR GENERATING FACILITIES (CHPS AND HPPS)	A new automated predictive analytics system (APAS) was launched at Bratsk HPP.	Through machine learning algorithms, APAS systematically gathers and analyses comprehensive data on the parameters and operational conditions of hydraulic units. It predicts equipment malfunctions in advance and promptly alerts plant staff. The technology helps determine the most suitable timing for maintenance, thereby enhancing operational safety and efficiency. The APAS is based on a Russian-built platform equipped with a specialised module for creating mathematical models, which makes it unique in Russia.
MOBILE WALKAROUND INSPECTOR	Ust-Ilimsk HPP has held a trial run of the Mobile Walkaround Inspector.	Ust-Ilimsk HPP has held a trial run of the Mobile Walkaround Inspector, a dedicated application that enables plant staff to livestream data and supporting photo and video materials of identified defects. The application facilitates improved coordination of walkaround inspections, leading to expedited elimination of identified defects.
CONTINUOUS THERMAL MONITORING SYSTEM	A unique continuous thermal monitoring system was installed at the outdoor switchgear of Irkutsk HPP. The development was based on a Russian-built platform and is unmatched in the country.	The system enables sending timely alerts to plant staff regarding temperature anomalies at the switchgear and equipment switching to critical temperature modes, which, among other things, may result in an emergency (such as a fire). Now, HPP employees no longer need to conduct regular inspections of switchgear contact connections with thermal imaging cameras; the system performs this task independently online. Moreover, the system offers self-learning capabilities and continually aggregates datasets, leading to gradual enhancements in the accuracy of its forecast models. The project is scheduled for incremental expansion starting in 2024 to encompass all outdoor switchgears across the Company's HPPs.

Energized for action

Automation and Digitisation Training and Partnerships

En+ Group routinely holds educational events on automation and digitisation, providing a platform for employees to share their experience and insights within the Group.

The Group is also interested in recruiting skilled young talent to bolster its specialist teams. The Company has been conducting an extensive outreach programme among school and university students interested in the field:

- Holds competitions and festivals devoted to robotics and information technology
- Opens and maintains the operation of En+ Group Multilab competency building centres
- Implements partnership programmes with Russia's leading universities, offers in-house training programmes for niche specialists (such as IT Academy and Energy Lab, etc.) and rewards top-performing students

The training programmes for young talent are centred around En+ Group's real-world research tasks and case studies, which are particularly valuable for nurturing future IT talent for the national power and metals industries. 2023 saw the IT Academy project's first graduate stream to commence employment at En+ Group.

Digital Aluminium Platform

Employees within the Metals Segment have the opportunity to acquire digital skills through the in-house platform as part of the Digital Aluminium course, which has accumulated a wealth of training materials. The course is open to all employees and may be accessed online via mobile devices and desktop computers.

The course comprises four thematic modules encompassing the following topics:

- Artificial intelligence technologies, including machine vision and machine learning
- Robotised systems
- Cybersecurity at work and at home
- Internal corporate systems and rules of operation

Participants may submit ideas for addressing workplace challenges using Industry 4.0 technologies as part of the course. These ideas will be further developed by dedicated units.

PLANS FOR 2024 AND BEYOND

1. Establish a digital project committee and a number of new offices within the Digital Transformation Directorate
2. Develop the Digital Project Office project, establish the Digital Logistics laboratory, build Data Platform and organize the "Data Management Center"
3. Continue the implementation of end-to-end automation initiatives
4. Continue the implementation of initiatives within the Power Segment Digital Transformation project
5. Finalise key tasks within the Metals segment under the End-to-End Automation programme
6. Assess the effectiveness and, in case of success, kick off the rollout of the following technologies and projects in the Metals segment:
   - Industry 4.0 technologies for detecting deviations and serving as decision advisors
   - 3D[1] projects to replace human with robotised intelligent systems
   - Augmented reality solutions

2024

1 Dust, Dull, Dangerous, a term for dirty, dangerous, and heavy work at operating facilities.

Governance

CYBERSECURITY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

INTERNAL REGULATIONS

- Information Security Policy

MATERIAL TOPICS

- Business ethics

300

cybersecurity vulnerabilities identified and eliminated

GOAL

- Implementation of the Sandbox secure testing environment

STATUS

- Achieved

PROGRESS made in 2023

- System implemented

Management Approach

GRI 2-13, 3-3

Cybersecurity is crucial for maintaining the seamless operation of all Company business processes. The Group's efforts aim to enhance IT infrastructure security across all enterprises and ensure prompt detection and responses to threats and incidents in this area. All Company's efforts in this area are aligned with its Information Security Policy and internal regulations. En+ Group consistently updates documents and brings its business processes in line with the requirements of applicable laws.

En+ Group successfully applies its current cybersecurity management system to ensure the confidentiality, safety, and availability of data. The cybersecurity incident response team is tasked with managing all aspects of the system's operation and driving its continuous improvement. Team members promptly detect and address threats and risks, including external scanning attempts, exploitation of perimeter vulnerabilities, malicious software intrusion attempts, and unauthorised user activities. They also oversee the prompt identification and elimination of vulnerabilities on the Company's external perimeter.

The response team additionally compiles monthly reports detailing the results of its operations, which are subsequently submitted to the Company's management for review. The reports include data on the Company's current IT infrastructure security status and the trends in the number of identified and resolved threats and cybersecurity incidents over recent periods.

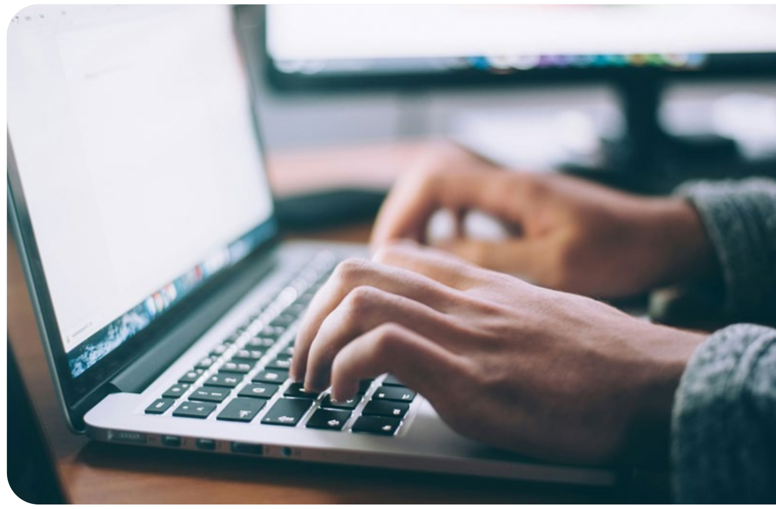
Annually, auditors conduct reviews of En+ Group's cybersecurity management processes. Following these audits, detailed reports are prepared as needed, highlighting identified vulnerabilities and threats, along with recommendations and corrective action plans. In 2023, several Group entities underwent scheduled audits in this area. Furthermore, tests were conducted on various information systems and services within the Company. Based on the outcomes of their efforts, the Group's experts identified and systematically addressed over 300 vulnerabilities during the reporting period, marking a 2.2-fold increase compared to 2021.

Cybersecurity measures

GRI 418-1

A notable achievement of En+ Group's cybersecurity efforts in the reporting year was the absence of any instances of confidentiality breaches, unauthorised transfer of personal data, or complaints from customers and partners regarding data leakage or breaches of confidentiality and privacy.

Given the increasing frequency of cyberattacks targeting corporate IT infrastructure, continuous enhancement and refinement of the Company's cybersecurity management system are imperative.



In 2023, the following projects were implemented to assess and deploy novel approaches and tactics for defending against cyberattacks:

Cybersecurity tools/methods	Brief description and key features	Implementation status at En+ Group
Web application firewall (WAF)	A web application firewall designed to detect and block network attacks	Pilots have been run to test protection tools and methods, with plans to procure and roll out them across the entire Group
Cybersecurity operations centre (SOC)	Cybersecurity command centre tasked with monitoring, detecting, analysing, and responding to cyber incidents in information systems	
Deception, a network decoy management system	A system designed to mimic IT infrastructure and protect it from cyberattacks. The system operates by generating deceptive elements within the IT infrastructure (commonly known as network traps), altering hackers' perceptions of the corporate information networks. Upon engaging with the network traps, intruders infiltrating the information network promptly reveal themselves, with cybersecurity specialists alerted accordingly. Thus, the system enables the early detection and prevention of cyberattacks on information systems while also redirecting hackers' focus away from the genuine critical components of the IT infrastructure	
Sandbox secure testing environment	A zero-day attack protection system[1] capable of simulating the execution of suspicious files within an isolated environment to identify and analyse malicious files and code	The system was rolled out across the Group

1 Zero-day attacks are cyberattacks resulting from attackers exploiting vulnerabilities before they are identified and addressed by information system developers. These attacks become public knowledge before information system developers release vulnerability patches.

Governance

Employee Involvement

En+ Group acknowledges that preventing cybersecurity incidents largely depends on employees' willingness to comply with established rules and regulations. The Company conducts regular internal training sessions for employees, using En+ Group's Corporate University internet portal, to educate them on the rules of operating electronic computing tools. Additionally, throughout the year, all employees receive training materials via corporate email, which contain informative fact sheets and examples of phishing emails.

In 2023, the Company implemented several initiatives to enhance employee awareness of cybersecurity issues, including:

- Internships for employees of the Group's regional cybersecurity services.
- A practical conference organised jointly with a major IT and cybersecurity integrator to facilitate discussions among Group employees on current hot topics, challenges, and practical strategies for addressing them. The conference was attended by representatives from top developers in the cybersecurity solutions market.

SASB IF-EU-550a.1

The Group promptly addresses and mitigates the effect of employee breaches of cybersecurity standards. En+ Group investigates all detected violations in accordance with the procedure for planning and implementing appropriate measures. During these investigations, designated individuals document the facts and causes of the violations and enforce technical and disciplinary measures to prevent similar situations in the future.

The most common types of breaches were as follows:

- Sending work-related information to personal e-mail addresses
- Unauthorised copying of information to removable media or cloud services
- Using the Internet for personal purposes
- Unauthorised installation of unapproved software
- Violations of personal computer operation policies (such as failing to lock the device promptly, or storing personal information)

PLANS FOR 2024 AND BEYOND

1. Deploy and operationalise several additional cybersecurity systems
2. Conduct a pilot project to test a master data management system
3. Finalise employee training courses to align them with the current cybersecurity standards and requirements

INNOVATION MANAGEMENT

GRI 3-3

By continuously developing and sourcing new technologies, En+ Group maintains its leadership position in the global market while constantly improving its environmental, social, and economic performance.

R&D management

INTERNAL REGULATIONS

- R&D Policy
- Patent Policy

MATERIAL TOPICS

- Innovation management
- Economic performance
- Air quality
- Climate change
- Energy management
- Just energy transition and low-carbon products

RUB 1.9 bn

allocated to R&D projects

22.5 USD mn[1]

R&D management prioritises the advancement of clean energy and other strategic areas for En+ Group, while the business system fosters employee engagement in improving the Company's operational efficiency.

GOALS	STATUS	PROGRESS made in 2023
Broaden the scope of partnerships and engage new scientific collaborators in R&D projects of particular interest to the Company	On track	• The Company has gathered data regarding cutting-edge scientific and technical advances by leading scientific and educational organisations and major manufacturers • The company builds partnerships with major National Research Universities, research institutes of the Russian Academy of Sciences, and the Novosibirsk blcientific Cluster.
Continue to explore new areas for the Company, including CO_2 capture and storage (CCS), energy storage, hydrogen economy, and the development and production of cathode materials for batteries	On track	• The Group is exploring the industrial methodologies employed by Chinese companies for CO_2 capture and storage alongside innovation-driven developments from researchers at Novosibirsk State University (NSU) and St Petersburg State University (SPbSU) • En+ Group is expanding partnerships in hydrogen economy and energy storage, working closely with the Competence Centre of the National Technology Initiative (NTI), Hydrogen as the Cornerstone of a Low-Carbon Economy

1 Based on the 2023 average USD/RUB exchange rate of RUB 85.25 per dollar.

Governance

GRI 3-3

The Science and Technical Council and the Innovation Committee oversee R&D projects in the Power segment. In 2023, En+ Group started finalising the R&D Procedures to accelerate and better manage scientific projects.

GRI 2-13

The Technical Directorate is responsible for overseeing innovative projects within the Metals segment. Operations within this segment are governed by the Technical Policy, which is annually revisited by the Scientific and Technical Council. This council, a collective body, is also responsible for decisions around innovation development and deployment. In addition, the Metals segment boasts its own R&D expertise, with the following research centres and institutes handling most developments: Institute of Light Materials and Technologies (ILM&T), Russian Aluminium and Magnesium Institute (VAMI), the Siberian Scientific Research and Design Institute of Aluminium and Electrode Industry (SibVAMI), and the Engineering and Technology Centre (RUSAL ETC).

In the reporting year, En+ Group's R&D expenditures totalled RUB 1.9 billion (USD 22.5 million[1]). Out of these, RUB 1.8 billion was allocated to the Metals segment and RUB 90 million to the Power segment. R&D expenses within the Power Segment decreased by 41% year-on-year in the 2023, primarily due to the extension of deadlines for most ongoing projects. In 2023, 49% of the Power Segment's R&D investments were directed towards renewable initiatives.

GRI 3-3

In research and development, En+ Group leverages its internal expertise while also partnering with leading scientific and educational organisations and major manufacturers.

1 Based on the 2023 average USD/RUB exchange rate of RUB 85.25 per dollar.

Software development

The Digital Transformation Directorate and the Development Department are collaborating to explore the scope for developing proprietary software for monitoring, diagnosing, and streamlining the operation of process equipment. Experts are exploring various options for implementing different classes of artificial intelligence algorithms.

Perovskite solar cells

This project is being implemented through joint efforts with Lomonosov Moscow State University (MSU). Current challenges include enhancing the stability of laboratory samples, advancing EuroSibEnergo's patented vacuum layer deposition technology, and scaling up cell manufacturing methods.

18 %

The current efficiency of perovskite-silicon tandem prototypes

Collaboration between En+ Group and top Russian R&D universities

In 2023, En+ Group expanded its collaboration with leading research universities and other organisations focused on R&D.

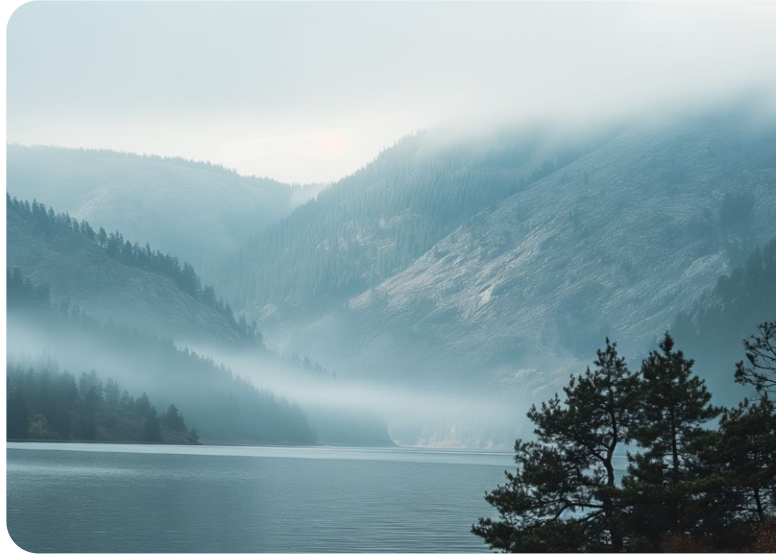
Thus, in the reporting year, the National Research University Moscow Power Engineering Institute (NRU MPEI) and En+ Group signed a partnership agreement to pursue major projects under the comprehensive full innovation cycle scientific and technical programme Next-Generation High-Capacity Energy Sector. This collaboration aims to establish the technological foundation for the future energy sector.

Furthermore, in 2023, En+ Group experts held meetings with representatives from top scientific and educational institutions in Novosibirsk, including NSU (Novosibirsk State University) and NSTU (Novosibirsk State Technical University), as well as several research institutes affiliated with the Siberian Branch of the Russian Academy of Sciences (SB RAS). These meetings resulted in a collaboration plan for implementing scientific and technical projects.

Development of heavy-duty resource-saving electrolysers

Heavy-duty electrolysers have been developed and are currently in operation at the pilot facility of the Sayanogorsk Aluminium Smelter. The innovative electrolysers offer high performance and energy efficiency and contribute to reducing environmental impact. In 2023, the Metals segment team focused on designing solutions aimed at reducing construction costs.

Energized for action



PLANS FOR 2024 AND BEYOND

1. Continue to advance research projects in clean energy, including hydrogen and solar energy, energy storage and other
2. Foster ties with existing partners and engage new ones on collaborative R&D initiatives
3. Approve the Company's updated Science and Technical Policy aligned with the emerging trends in strategic development
4. Draft a new R&D Process Regulation to drive R&D excellence

Governance

Business system

INTERNAL REGULATIONS

- Regulation on Operational Development Project Management
- Regulation on Kaizen Suggestion Submission and Implementation

MATERIAL TOPICS

- Innovation management
- Economic performance
- Employee management and engagement

RUB 7.3 bn

Total economic benefit from the implementation of the business system projects and suggestions
86.2 USD mn

17,596

Kaizen suggestions were submitted in 2023

GOALS	STATUS	PROGRESS made in 2023
Roll out a mobile application for submitting Kaizen suggestions	Achieved	The app was tested and launched in October 2023 By the year-end, over 2,700 Kaizen suggestions had been submitted through the system
Prepare and hold the Kaizen of the Year 2023 and Project of the Year 2023 competitions	Achieved	Both competitions were held, and the best projects were selected
Continue with the business system training programme for new employees with the aim of achieving 100% of trained workforce	Achieved	739 people trained (100%)
Introduce a mandatory business system training programme at the operational site tailored for engineers and technical staff of various proficiency levels	On track	A training programme for engineers and technical staff consisting of six modules was developed

1 Based on the 2023 average USD/RUB exchange rate of RUB 85.25 per dollar.

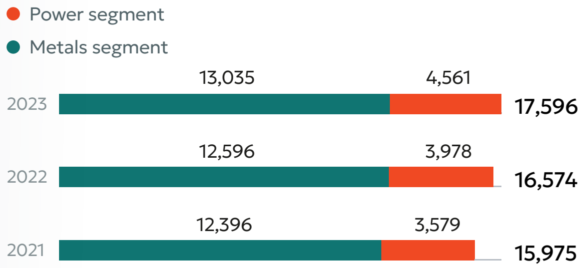
MANAGEMENT APPROACH

GRI 3-3

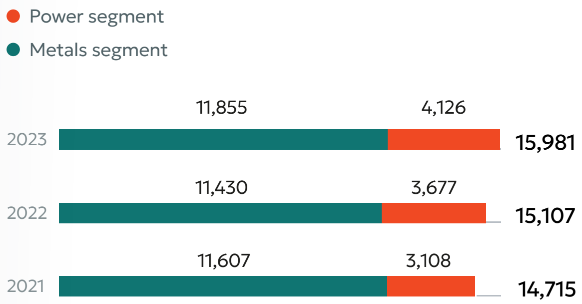
En+ Group strives to involve its employees in driving the Company's continued growth. Any En+ employee can submit proposals to improve processes. The most useful and effective of them are introduced into production.

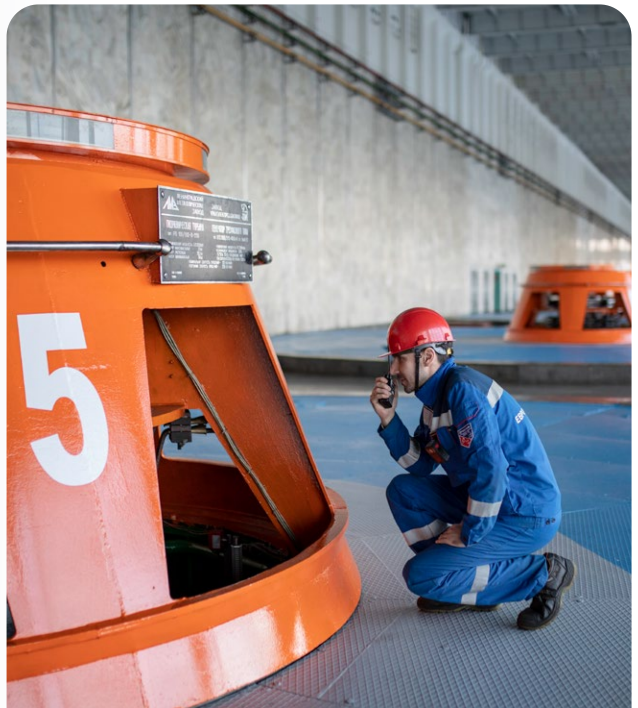
In 2023, the overall economic impact from business system projects reached RUB 7.3 billion(USD 86.2 mn), RUB 6.5 bn (USD 76.38 mn) in Metals segment and RUB 843 mn (USD 9.8 mn)[1] in the Power segment.

Total number of suggestions received from employees



Employee suggestions implemented





In 2023, En+ Group developed a new Regulation on Kaizen Suggestion Submission and Implementation, containing guidelines for making submissions via a mobile application. To better motivate employees submitting Kaizen suggestions, En+ Group has rolled out an incentive scheme.

En+ Group launched the Kaizen Digital mobile app and website

In collaboration with the Business System Development Directorate, En+ Digital experts created the Kaizen Digital website and mobile application, which were integrated into operating processes during 2023.

A mobile app is a convenient and straightforward way to submit ideas. Through new the app, employees can now monitor review and implementation timelines for their ideas. Furthermore, employees can rate their colleagues' suggestions and provide feedback. These initiatives enable En+ Group to involve as many employees as possible in the continuous improvement engine for the Company's processes. After the application was implemented, the number of kaizens increased by 11%.

En+ Group has taken the following steps to enhance the availability of both the website and mobile app:

- Developed user instructions for the mobile app and website, which were published on the self-service portal
- Delivered training sessions for all business system experts to proficiently use the Kaizen Digital solutions
- Designed a course titled Kaizen Digital Mobile App to brief employees on the app's key features and increase their involvement in Kaizen activities

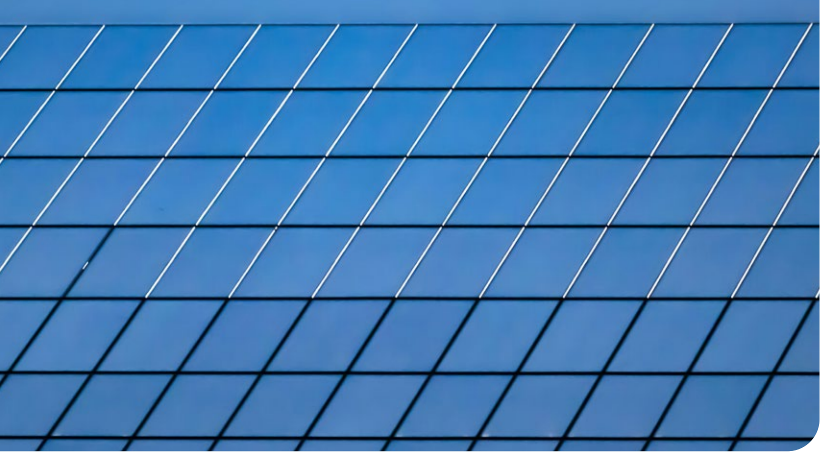
In October 2023, the app was made available to all Company employees. By the end of the year, over 6,000 employees were registered in the app, with over 2,700 Kaizen suggestions submitted.

In the reporting year, En+ Group continued to implement the 5S principles: sort, set in order, shine, standardise, and sustain. These principles serve as guidelines for En+ Group employees in their workplace practices.

Governance

Project of the Year Competition

IN 2023, EN+ GROUP HELD ITS SECOND PROJECT OF THE YEAR COMPETITION.



270 participants

from the Power Segment participated in competition

63

projects were assessed

RUB **79.6** mn

total economic benefit from projects of the competition
USD 933.72 thsd[1]

Project of the Year winning projects

1 **4.92** out of 5

Satisfaction score achieved through a project to enhance the efficiency of HR administration business processes

2 **↓73** %

Decrease in the overall operation time achieved through a project to install a new transformer

3 **↓1.14** %

Reduction of coal ash content achieved through a project to introduce coal sampling control and prompt adjustment of the shipment route

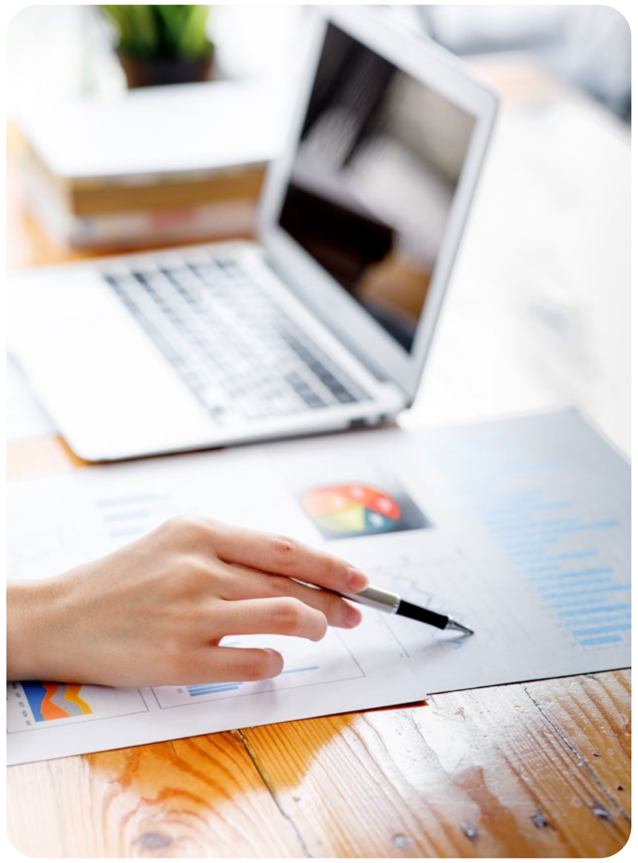
1 Based on the 2023 average USD/RUB exchange rate of RUB 85.25 per dollar.

BUSINESS SYSTEM TRAINING

To maximise employee awareness of the business system's capabilities and tools, the Business System Development Directorate provides regular training to our staff. The Company is in need of business system couches to facilitate training sessions. In 2023, a ten-month training programme was specifically designed for them, intended to help specialists from the Business System Development Directorate train 32 couches. These trainers will possess in-depth knowledge of individual tools within the business system as well as practical skills to organise and conduct training sessions independently.

A dedicated business system development training programme was crafted for engineers and technical staff

In 2023, specialists within the directorate put together a training programme on business system development tailored for engineers and technical staff of various proficiency levels. The programme consists of six modules, each focusing on a distinct business system tool. After completing each module, trainees are given homework assignments and assessed at the end of training. En+ Group expects this approach to improve the quality of training for this employee category and encourage adoption of relevant business system tools.

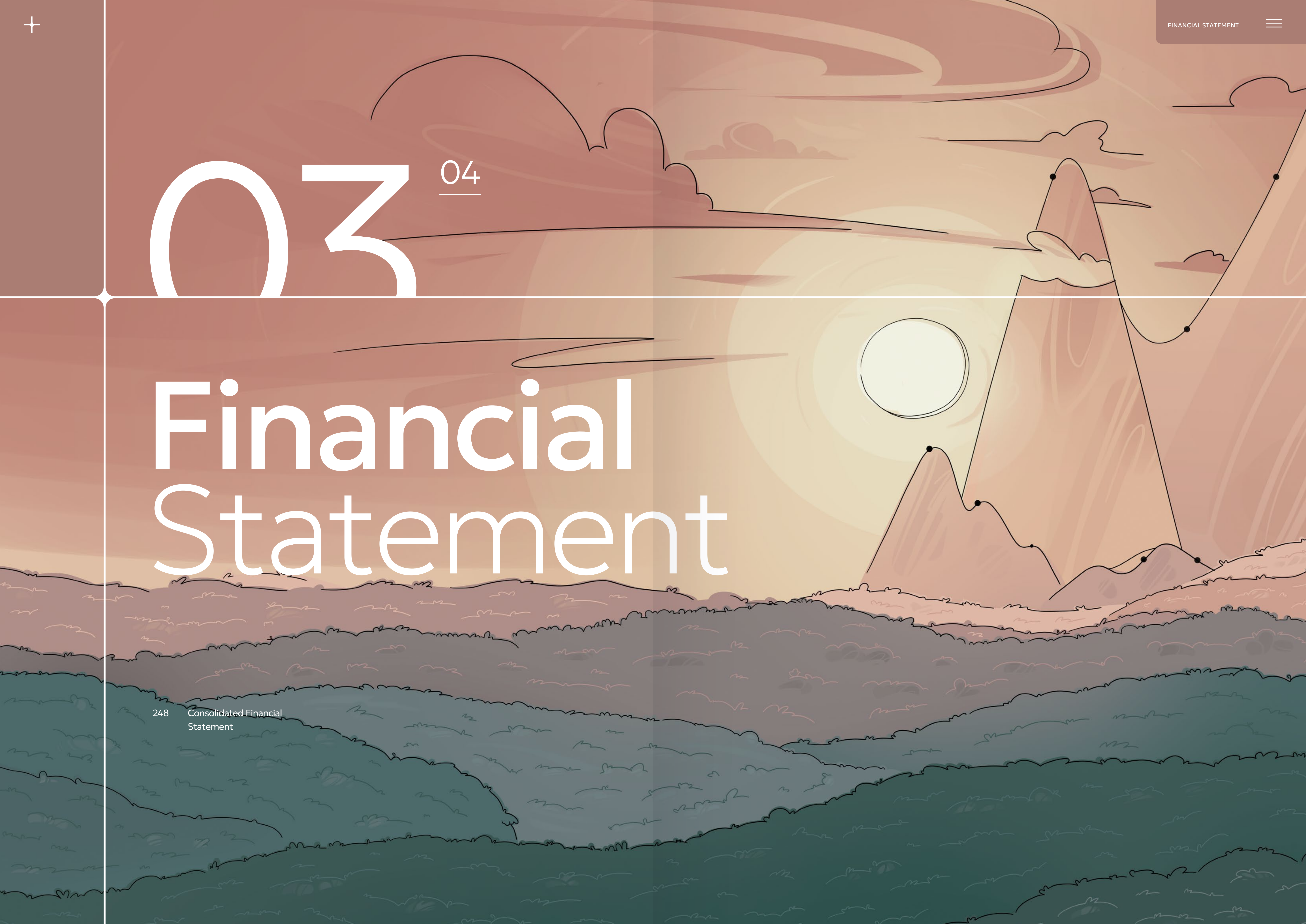


For more details on business system training structure, see the 2022 Consolidated Report, page 195

PLANS FOR 2024 AND BEYOND

1. Continue staff training on the Transformation programme
2. Continue the implementation of training programmes for newly hired employees and provide training for coaches on business system development
3. Implement a training programme tailored for engineers and technical staff across different proficiency levels
4. Transition to fully electronic document management within the business system facilitated by the Kaizen Digital application
5. Implement key efficiency projects

2024



03 04

Financial Statement

Consolidated Financial Statement

EN+ GROUP IPJSC
Consolidated Financial Statements
for the year ended 31 December 2023

Contents

EN+ GROUP IPJSC
Statement of Management's Responsibilities

Statement of Management's Responsibilities for the Preparation and Approval of the Consolidated Financial Statements for the year ended 31 December 2023

The following statement, which should be read in conjunction with the auditors' responsibilities stated in the auditors' report on the audit of the consolidated financial statements set out on pages 4-8, is made with a view to distinguishing the respective responsibilities of management and those of the auditors in relation to the consolidated financial statements of EN+ GROUP IPJSC and its subsidiaries.

Management is responsible for the preparation of the consolidated financial statements for the year ended 31 December 2023 in accordance with International Financial Reporting Standards ("IFRS").

In preparing the consolidated financial statements, management is responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Stating whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Preparing the consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in the business for the foreseeable future.

Management, within its competencies, is also responsible for:

- Designing, implementing and maintaining an effective system of internal controls throughout the Group;
- Maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions in which the Group operates;
- Taking steps to safeguard the assets of the Group; and
- Detecting and preventing fraud and other irregularities.

These consolidated financial statements were approved by the Board of Directors on 20 March 2024 and were signed on its behalf by:

General Director of EN+ GROUP IPJSC — Mikhail Khardikov

NEW CHALLENGES
NEW SOLUTIONS

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Independent auditor's report

To the Shareholders and Board of Directors of
IPJSC EN+ GROUP

Opinion

We have audited the consolidated financial statements of IPJSC EN+ GROUP and its subsidiaries (hereinafter collectively referred to as the "Group"), which comprise the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023, the consolidated statement of financial position as at 31 December 2023, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements of the Code of professional ethics for auditors and the Independence rules of auditors and audit organizations that are relevant to our audit of the consolidated financial statements in the Russian Federation together with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(e) of the consolidated financial statements as of 31 December 2023, which indicates that the geopolitical tensions and sanctions imposed by a range of countries, accompanied by the volatility of commodity, stock and currency markets, may significantly affect operational, investing and financing activity of the Group. As stated in Note 1(e), these events or conditions, along with other matters as set forth in Note 1(e) of the consolidated financial statements, indicate that material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

NEW CHALLENGES
NEW SOLUTIONS

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matters described in the material uncertainty related to going concern section, we have determined the matter described below to be the key audit matter to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment analysis of property, plant and equipment	
Impairment analysis of property, plant and equipment was a key audit matter due to the significance of property, plant and equipment balance in the consolidated financial statements, high subjectivity of judgments and estimates underlying the impairment analysis used by management. Current global market conditions, including fluctuations in LME aluminum prices, market premiums and alumina purchase prices together with their long-term forecasts, fluctuations of coal sale prices and additional volumes of electricity transmission set in further periods, increase of logistics costs may indicate that some cash generating units (CGU) may be subject to either impairment loss or full or partial reversal of previously recognized impairment. Evaluation of the recoverable amount of fixed assets is based on the higher of the fair value less cost to sell and value in use. As of the reporting date management makes an assessment of value-in-use based on the discounted cash flow models. Information on the results of the impairment testing is provided in Note 11 (c) to the consolidated financial statements.	We analized management's assessment of whether indicators for potential impairment or reversal of impairment previously recorded exist. For the impairment tests performed our procedures included, among others: ▸ comparison of key assumptions such as production volumes, forecasted aluminum sales prices, forecasted electricity tariffs and transmission volumes, forecasted coal sales prices and volumes, forecasted alumina and bauxites purchase prices, forecasted costs inflation, forecasted currency exchange rates, discount rates, used in the Group's financial model with published macroeconomic indicators and forecast data; ▸ assessing the historical accuracy of management's budgets and forecasts by comparing them to actual performance; ▸ checking the arithmetic accuracy of the impairment model and assessing a sensitivity analysis of value-in-use to changes in key assumptions. With assistance of our internal valuation experts we analyzed the Group's management calculations of the recoverable amount of fixed assets. We assessed the impairment related disclosures in the consolidated financial statements, including the key assumptions used and the sensitivity of the consolidated financial statements to these assumptions.

NEW CHALLENGES
NEW SOLUTIONS

Other information included in the Annual report

Other information consists of the information included in the Annual report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and the Board of Directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

NEW CHALLENGES
NEW SOLUTIONS

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units of the group as a basis for forming our opinion on the consolidated financial statements of the group. We are responsible for the direction, supervision and review of audit work performed for group audit purposes. We remain fully responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

NEW CHALLENGES
NEW SOLUTIONS

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Khachaturian Mikhail Sergeevich.

Khachaturian Mikhail Sergeevich
General director of TSATR – Audit Services Limited Liability Company,
partner in charge of the audit resulting in this independent auditor's report
(main registration number 21906108270)

20 March 2024

Details of the auditor

Name: TSATR – Audit Services Limited Liability Company
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.
TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the audited entity

Name: IPJSC EN+ GROUP
Record made in the State Register of Legal Entities on 9 July 2019, State Registration Number 1193926010398.
Address: Russia 236006, Kaliningrad, Oktyabrskaya street, b. 8, office 34.

EN+ GROUP IPJSC
Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2023

		Year ended 31 December	
		2023	2022
	Note	USD million	USD million
Revenues	5	14,648	16,549
Cost of sales		(11,366)	(12,056)
Gross profit		**3,282**	**4,493**
Distribution expenses		(844)	(793)
General and administrative expenses		(874)	(1,071)
Impairment of non-current assets		(366)	(370)
Other operating expenses, net	6	(168)	(253)
Results from operating activities		**1,030**	**2,006**
Share of profits of associates and joint ventures	13	752	1,553
Finance income	8	120	184
Finance costs	8	(1,026)	(1,290)
Profit before tax		**876**	**2,453**
Income tax expense	10	(160)	(607)
Profit for the year		**716**	**1,846**
Attributable to:			
Shareholders of the Parent Company		596	1,083
Non-controlling interests	16(f)	120	763
Profit for the year		**716**	**1,846**
Earnings per share			
Basic and diluted earnings per share (USD)	9	1.186	2.156

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 259 to 326.

EN+ GROUP IPJSC
Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2023 (continued)

	Note	Year ended 31 December 2023 USD million	Year ended 31 December 2022 USD million
Profit for the year		**716**	**1,846**
Other comprehensive (loss)/income			
Items that will never be reclassified subsequently to profit or loss			
Actuarial gain on post-retirement benefit plans	18(b)	8	11
Revaluation of hydro assets	11(e)	–	650
Taxation	10(c)	–	(132)
		8	**529**
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences on foreign subsidiaries		(861)	(47)
Foreign currency translation differences for equity-accounted investees	13	(1,011)	369
Change in fair value of cash flow hedge	19	–	(131)
		(1,872)	**191**
Other comprehensive (loss)/income for the year, net of tax		**(1,864)**	**720**
Total comprehensive (loss)/income for the year		**(1,148)**	**2,566**
Attributable to:			
Shareholders of the Parent Company		(555)	1,669
Non-controlling interests	16(f)	(593)	897
Total comprehensive (loss)/income for the year		**(1,148)**	**2,566**

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 259 to 326.

EN+ GROUP IPJSC
Consolidated Statement of Financial Position
as at 31 December 2023

	Note	31 December 2023 USD million	31 December 2022 USD million
Assets			
Non-current assets			
Property, plant and equipment	11	10,472	11,607
Goodwill and intangible assets	12	2,086	2,417
Interests in associates and joint ventures	13	4,542	5,194
Deferred tax assets	10(b)	264	98
Investments in equity securities measured at fair value through profit and loss	15(h)	340	459
Derivative financial assets	19	13	90
Other non-current assets	15(g)	303	311
Total non-current assets		**18,020**	**20,176**
Current assets			
Inventories	14	3,575	4,383
Trade and other receivables	15(b)	1,696	1,477
Prepayments and VAT recoverable	15(c)	620	820
Income tax receivable	10(e)	14	217
Short-term investments		97	50
Derivative financial assets	19	19	78
Cash and cash equivalents	15(f)	2,347	3,477
Total current assets		**8,368**	**10,502**
Total assets		**26,388**	**30,678**
Equity and liabilities			
Equity	16		
Share capital		–	–
Share premium		1,516	1,516
Additional paid-in capital		9,193	9,193
Revaluation reserve		3,480	3,480
Other reserves		(1,492)	(1,497)
Foreign currency translation reserve		(6,578)	(5,422)
Retained earnings		802	210
Total equity attributable to shareholders of the Parent Company		**6,921**	**7,480**
Non-controlling interests	16(f)	4,660	5,252
Total equity		**11,581**	**12,732**
Non-current liabilities			
Loans and borrowings	17	8,477	9,702
Deferred tax liabilities	10(b)	991	1,222
Provisions – non-current portion	18	351	380
Other non-current liabilities		196	175
Total non-current liabilities		**10,015**	**11,479**
Current liabilities			
Loans and borrowings	17	2,587	3,898
Provisions – current portion	18	124	146
Trade and other payables	15(d)	1,369	1,687
Advances received	15(e)	339	309
Other taxes payable		373	427
Total current liabilities		**4,792**	**6,467**
Total equity and liabilities		**26,388**	**30,678**

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 259 to 326.

EN+ GROUP IPJSC
Consolidated Statement of Cash Flows
for the year ended 31 December 2023

	Note	Year ended 31 December 2023 USD million	2022 USD million
Operating activities			
Profit for the year		**716**	**1,846**
Adjustments for:			
Depreciation and amortisation	11,12	765	720
Impairment of non-current assets		366	370
Net foreign exchange loss	8	85	111
(Gain)/loss on disposal of property, plant and equipment	6	(4)	23
Share of profits of associates and joint ventures	13	(752)	(1,553)
Interest expense	8	748	988
Interest income	8	(93)	(115)
Dividend income	8	(27)	(38)
Income tax expense	10	160	607
(Partial reversal of provision) / write-down of inventories to net realisable value		(14)	172
Impairment of trade and other receivables	6	16	169
Provision for legal claims		3	10
Change in fair value of derivative financial instruments	8	99	191
Change in fair value of financial assets and liabilities	8	94	(31)
Operating profit before changes in working capital		**2,162**	**3,470**
Decrease/(increase) in inventories		843	(1,098)
Decrease/(increase) in trade and other receivables and advances paid		340	(418)
Decrease in trade and other payables and advances received		(259)	(783)
Cash flows from operations before income tax		**3,086**	**1,171**
Income taxes paid	10(e)	(365)	(599)
Cash flows from operating activities		**2,721**	**572**

The consolidated statement of cash flows is be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 259 to 326.

EN+ GROUP IPJSC
Consolidated Statement of Cash Flows
for the year ended 31 December 2023 (continued)

	Note	Year ended 31 December 2023 USD million	2022 USD million
Investing activities			
Proceeds from disposal of property, plant and equipment		13	8
Acquisition of property, plant and equipment		(1,413)	(1,674)
Acquisition of intangible assets		(35)	(37)
Cash paid for investment in equity securities measured at fair value through profit and loss	15(h)	(5)	(113)
Cash (paid for) / received from other investments		(69)	111
Interest received		84	104
Dividends from associates and joint ventures		–	1,639
Dividends from financial assets		23	34
Prepayment for acquisition of associate		(13)	–
Contribution to associates and joint ventures	13	(5)	(8)
Cash outflow from disposal of subsidiary		–	(16)
Change in restricted cash		1	(1)
Cash flows (used in) / from investing activities		**(1,419)**	**47**
Financing activities			
Proceeds from borrowings		6,103	9,129
Repayment of borrowings		(7,662)	(7,007)
Acquisition of non-controlling interest	16(a)	(3)	(14)
Interest paid		(682)	(987)
Restructuring fees		(31)	(21)
Settlement of derivative financial instruments		(2)	(229)
Dividends to non-controlling shareholders		–	(129)
Cash flows (used in) / from financing activities		**(2,277)**	**742**
Net (decrease)/increase in cash and cash equivalents		**(975)**	**1,361**
Cash and cash equivalents at beginning of the year, excluding restricted cash		3,474	2,328
Effect of exchange rate changes on cash and cash equivalents		(154)	(215)
Cash and cash equivalents at end of the year, excluding restricted cash	15(f)	**2,345**	**3,474**

Restricted cash amounted to USD 2 million and USD 3 million at 31 December 2023 and 31 December 2022, respectively.

The consolidated statement of cash flows is be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 259 to 326.

EN+ GROUP IPJSC
Consolidated Statement of Changes in Equity
for the year ended 31 December 2023

USD million	Share premium	Additional paid-in capital	Revaluation reserve	Other reserves	Foreign currency translation reserve	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity
	Attributable to shareholders of the Parent Company								
Balance at 1 January 2022	**1,516**	**9,193**	**2,945**	**(1,426)**	**(5,561)**	**(892)**	**5,775**	**4,536**	**10,311**
Comprehensive income									
Profit for the year	–	–	–	–	–	1,083	**1,083**	763	**1,846**
Other comprehensive income/(loss)	**–**	**–**	**518**	**(71)**	**139**	**–**	**586**	**134**	**720**
Revaluation of hydro assets	–	–	650	–	–	–	**650**	–	**650**
Taxation	–	–	(132)	–	–	–	**(132)**	–	**(132)**
Other comprehensive (loss)/income	–	–	–	(71)	139	–	**68**	134	**202**
Total comprehensive income/(loss) for the year	**–**	**–**	**518**	**(71)**	**139**	**1,083**	**1,669**	**897**	**2,566**
Transactions with owners									
Change in effective interest in subsidiaries (note 16(a))	–	–	17	–	–	19	**36**	(50)	**(14)**
Dividends to non-controlling shareholders (note 16(d))	–	–	–	–	–	–	**–**	(131)	**(131)**
Total transactions with owners	**–**	**–**	**17**	**–**	**–**	**19**	**36**	**(181)**	**(145)**
Balance 31 December 2022	**1,516**	**9,193**	**3,480**	**(1,497)**	**(5,422)**	**210**	**7,480**	**5,252**	**12,732**
Balance at 1 January 2023	**1,516**	**9,193**	**3,480**	**(1,497)**	**(5,422)**	**210**	**7,480**	**5,252**	**12,732**
Comprehensive income									
Profit for the year	–	–	–	–	–	596	**596**	120	**716**
Other comprehensive income/(loss)	–	–	–	5	(1,156)	–	**(1,151)**	(713)	**(1,864)**
Total comprehensive income/(loss) for the year	**–**	**–**	**–**	**5**	**(1,156)**	**596**	**(555)**	**(593)**	**(1,148)**
Transactions with owners									
Change in effective interest in subsidiaries (note 16(a))	–	–	–	–	–	(4)	**(4)**	1	**(3)**
Total transactions with owners	**–**	**–**	**–**	**–**	**–**	**(4)**	**(4)**	**1**	**(3)**
Balance 31 December 2023	**1,516**	**9,193**	**3,480**	**(1,492)**	**(6,578)**	**802**	**6,921**	**4,660**	**11,581**

The consolidated statement of changes in equity is be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 259 to 326.

EN+ GROUP IPJSC
Notes to the Consolidated Financial Statements
for the year ended 31 December 2023

1. Background

(a) Organisation

EN+ GROUP IPJSC (the "Parent Company" or EN+) was established as a limited liability company according to the legislation of the British Virgin Islands on 30 April 2002 under the name of Baufinanz Limited. On 18 March 2004, the Parent Company registered a change of its legal name to Eagle Capital Group Limited. On 25 August 2005, the Parent Company changed its domicile to Jersey and was renamed to En+ Group Limited. On 1 June 2017, the Parent Company changed its status to a public company and was renamed to EN+ GROUP PLC. On 9 July 2019, the Parent Company changed its domicile to the Russian Federation with a registration as EN+ GROUP International public joint-stock company (EN+ GROUP IPJSC). The Parent Company's registered office is Oktyabrskaya st. 8, office 34, Kaliningrad, Kaliningrad Region, 236006, Russian Federation.

On 8 November 2017, the Parent Company successfully completed an initial public offering of global depositary receipts on the London Stock Exchange. On 17 February 2020, the Parent Company's ordinary shares were included into the "Level 1" part of the list of securities admitted to trading on Moscow Exchange.

EN+ GROUP IPJSC is the parent company for the vertically integrated aluminium and power group, engaged in aluminium production and energy generation (together with the Parent Company referred to as "the Group").

As at 31 December 2023 and 31 December 2022 Mr. Oleg Deripaska beneficially controls and exercises voting rights in respect of 35% of the voting shares of the Parent Company and his direct or indirect shareholding cannot exceed 44.95% of the shares of the Parent Company.

The other significant holders as at 31 December 2023 and 31 December 2022 were as follows:

	31 December 2023	31 December 2022
Special financial organisation	21.37%	–
Parent Company's subsidiary	–	21.37%
Glencore Group Funding Limited	10.55%	10.55%
Other shareholders	23.13%	23.13%

Glencore Group Funding Limited is a subsidiary of Glencore Plc.

In 2023 21.37% of Parent Company's shares held by its indirect subsidiary were sold to the special financial organisation, orphan special purpose vehicle (refer to note 16(b)).

Based on the information at the Group's disposal at the reporting date, there is no individual that has an indirect prevailing ownership interest in the Parent Company exceeding 50%, who could exercise voting rights in respect of more than 35% of the Parent Company's issued share capital or has an opportunity to exercise control over the Parent Company.

Related party transactions are detailed in note 23.

(b) Operations

The Group is a leading vertically integrated aluminium and power producer, which combines the assets and results of its Metals and Power segments.

The Metals segment operates in the aluminium industry primarily in the Russian Federation, Guinea, Jamaica, Ireland, Italy and Sweden and is principally engaged in the mining and refining of bauxite and nepheline ore into alumina, the smelting of primary aluminium from alumina and the fabrication of aluminium and aluminium alloys into semi-fabricated and finished products.

The Power segment engages in all major areas of the power industry, including electric power generation, power trading and supply. It also includes supporting operations engaged in the supply of coal resources to the Group. The Group's principal power plants are located in East Siberia and Volga Region, the Russian Federation.

(c) Business environment in emerging economies

The Russian Federation, Jamaica and Guinea have been experiencing political and economic changes that have affected, and may continue to affect, the activities of enterprises operating in these environments. Consequently, operations in these countries involve risks that typically do not exist in other markets, including reconsideration of privatisation terms in certain countries where the Group operates following changes in governing political powers.

The imposition of economic sanctions on Russian individuals and legal entities by the European Union, the United States of America, Japan, Canada, Australia and others, as well as counter sanctions imposed by the Russian government, has resulted in increased economic uncertainty including more volatile equity, commodity and currency markets. The longer term effects of implemented sanctions, as well as the threat of additional future sanctions, are difficult to determine.

The consolidated financial statements reflect management's assessment of the impact of the Russian, Jamaican and Guinean business environments on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

(d) OFAC sanctions

On 6 April 2018, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") designated, amongst others, the Parent Company, JSC "EuroSibEnergo" ("EuroSibEnergo") and UC RUSAL Plc (from 25 September 2020 UC RUSAL IPJSC, "UC RUSAL") as Specially Designated Nationals ("SDN") (the "OFAC Sanctions").

As a result, all property or interests in property of the Parent Company and its subsidiaries located in the United States or in the possession of U.S. Persons were blocked, frozen, and could not have been transferred, paid, exported, withdrawn, or otherwise dealt in. Several general licenses were issued at the time of the designation and subsequently certain transactions were authorised with the Parent Company, EuroSibEnergo and UC RUSAL, and with their respective debt and equity.

On 27 January 2019, OFAC announced the removal of the Parent Company and its subsidiaries, including UC RUSAL and EuroSibEnergo, from OFAC's SDN list and Blocked Persons with immediate effect. The removal was subject to and conditional upon the satisfaction of a number of conditions including, but not limited to:

- Ending Mr. Oleg Deripaska's control of the Group, through the reduction of his direct and indirect ownership interest in the Parent Company to below 50%;
- Establishing independent voting arrangements for the Parent Company's shares held by certain shareholders;
- Corporate governance changes, including, inter alia, overhauling the composition of the EN+ Board to ensure that independent directors constitute the majority of the Board, and ongoing reporting and certifications by the Parent Company and UC RUSAL to OFAC concerning compliance with the conditions for sanctions' removal.

(e) Going concern

These consolidated financial statements have been prepared assuming that the Group will continue as a going concern. Accordingly, these financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, the amounts and classification of liabilities or any other adjustments that might result from the Group being unable to continue as a going concern.

Ban of Australian government for the export of alumina and bauxite to Russia introduced in March 2022 and temporary suspension of production at Mykolaiv Alumina Refinery Company Ltd due to developments in Ukraine starting from 1 March 2022 influenced the availability of alumina and bauxite or increase the purchase prices for the Group. Difficulties with logistics caused the Group to rebuild the supply and sales chains and lead to additional logistics costs. If the situation in Ukraine and overall geopolitical tension persists or continues to develop significantly, including the loss of significant parts of foreign markets, which cannot be reallocated to new markets, it may affect the Group's business, financial condition, prospects and results of operations.

EN+ GROUP IPJSC
Notes to the Consolidated Financial Statements
for the year ended 31 December 2023

Potentially the Group may have difficulties with equipment deliveries that may postpone realization of some investment projects and modernization programs for existing production facilities.

The facts described above, as well as the volatility of commodity markets, stock, currency markets and interest rates, create material uncertainty in the Group's ability to meet its financial obligations on time and continue as a going concern entity. Management constantly evaluates the current situation and prepares forecasts taking into account different scenarios of the events and conditions development. The Group's management expects that prices on the world commodity markets will grow and improve the results of operating activities. The Group is also revising its supply and sales chains, ensuring an optimal equity and debt ratio, searching for resolutions of logistic difficulties, as well as the ways to survive its obligations in order to adapt the current economic changes to maintain the continuance of the Group's operations.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which collective term includes all International Accounting Standards and related interpretations promulgated by the International Accounting Standards Board ("IASB").

Preparation of these consolidated financial statements is also regulated by Russian Federal Law 208-FZ dated 27 July 2010 *On Consolidated Financial Statements* in all aspects, except for language and functional and presentation currencies, which are regulated by Russian Federal Law 290-FZ dated 3 August 2018 *On International Companies and International Funds*.

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023.

- IFRS 17 *Insurance Contracts*;
- *Definition of Accounting Estimates* – Amendments to IAS 8;
- *Disclosure of Accounting Policies* – Amendments to IAS 1 and IFRS Practice Statement 2;
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* – Amendments to IAS 12;
- *International Tax Reform – Pillar Two Model Rules* – Amendments to IAS 12.

These amendments had no material impact on the consolidated financial statements of the Group.

(b) Standards issued but not effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- *Classification of Liabilities as Current or Non-current* – Amendments to IAS 1;
- *Non-current Liabilities with Covenants* – Amendments to IAS 1;
- *Lease Liability in a Sale and Leaseback* – Amendments to IFRS 16;
- *Supplier Finance Arrangements* – Amendments to IAS 7 and IFRS 7;
- *Lack of exchangeability* – Amendments to IAS 21.

The Group is currently assessing the impact the amendments will have on current practice, when they become effective.

(c) Basis of measurement

The consolidated financial statements have been prepared in accordance with the historical cost basis except as set out in the significant accounting policies in notes 11 and 19.

(d) Functional and presentation currency

The functional currencies of the Parent Company and Group's significant subsidiaries are the currencies of the primary economic environment and key business processes of these subsidiaries and include United States Dollar ("USD"), Russian Rouble ("RUB"), Chinese Yuan ("CNY") and Euro ("EUR"). The consolidated financial statements are presented in USD, rounded to the nearest million, except as otherwise stated herein.

The functional currencies of investments in associates and joint ventures are RUB, Kazakhstani Tenge and Australian Dollar.

(e) Use of judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported revenue and costs during the relevant period.

Management bases its judgements and estimates on historical experience and various other factors that are believed to be appropriate and reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 25.

3. Significant accounting policies

Significant accounting policies are described in the related notes to the consolidated financial statements captions and in this note.

The accounting policies and judgements applied by the Group in these consolidated financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2022, except for the adoption of new standards effective from 1 January 2023.

(a) Basis of consolidation

(i) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing control substantive potential voting rights are taken into account.

The financial information of subsidiaries is included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Non-controlling interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the equity shareholders of the Parent Company, whether directly or indirectly through subsidiaries.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Parent Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Parent Company.

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Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling-interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (refer to note 15) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (refer to note 13).

(ii) Acquisitions of non-controlling interests

The acquisition of an additional non-controlling interest in an existing subsidiary after control has been obtained is accounted for as an equity transaction with any difference between the cost of the additional investment and the carrying amount of the net assets acquired at the date of exchange recognised directly in equity.

The issue of a put option (a mandatory offer) to acquire a non-controlling interest in subsidiary, after control has been obtained and is accounted for by the Group as an equity transaction, results in the recognition of a liability for the present value of the expected exercise price and the derecognition of non-controlling interests within consolidated equity. Subsequent to initial recognition, changes in the carrying amount of the put liability are recognised within equity. If the put option expires unexercised then the put liability is derecognised and non-controlling interests are recognised.

For a written put or forward option with the non-controlling shareholders in an existing subsidiary on their equity interest in that subsidiary, if the non-controlling shareholders do not have present access to the returns associated with the underlying ownership interest, the contract is accounted for as an anticipated acquisition of the underlying non-controlling interests, as if the put option had been exercised already or the forward had been satisfied by the non-controlling shareholders.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary items in a foreign currency are measured based on historical cost and are translated using the exchange rate at the date of transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of qualifying cash flow hedges to the extent the hedge is effective, which is recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated from their functional currencies to USD at the exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated to USD at exchange rates approximating exchange rates at the dates of the transactions.

Foreign currency differences arising on translation are recognised in other comprehensive income and presented in the currency translation reserve in equity. For the purposes of foreign currency translation, the net investment in a foreign operation includes foreign currency intra-group balances for which settlement is neither planned nor likely in the foreseeable future and foreign currency differences arising from such a monetary item are recognised as part of other comprehensive income in the statement of profit or loss and other comprehensive income.

When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount of the currency translation reserve is transferred to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

4. Segment reporting

(a) Reportable segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's key executive management personnel and Board of Directors to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial statements are available.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Based on the current management structure and internal reporting the Group has identified two operating segments:

a) *Metals.* The Metals segment comprises UC RUSAL with disclosures being based on the public financial statements of UC RUSAL. All adjustments made to UC RUSAL, including any adjustments arising from different timing of IFRS first time adoption, are included in "Adjustments" column.

The Power assets of UC RUSAL are included within the Metals segment.

b) *Power.* The Power segment mainly comprises the power assets, as described in note 1(b).

These business units are managed separately and the results of their operations are reviewed by the key executive management personnel and Board of Directors on a regular basis.

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(b) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitor the results, assets and liabilities and cash flows attributable to each reportable segment on the following bases:

- Total segment assets include all non-current tangible, intangible assets and current assets.
- Total segment liabilities include all current and non-current liabilities.
- Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.
- The measures used for reporting segment results are the net profit and Adjusted EBITDA (key non-IFRS financial measure used by the Group as reference for assessing operating effectiveness). Segment profit or loss and Adjusted EBITDA are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.
- Adjusted EBITDA represents the results from operating activities adjusted for amortisation and depreciation, impairment charges and gain/(losses) on disposal of property, plant and equipment for the relevant period.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue (including inter-segment revenue), the carrying value of investments and share of profits/(losses) of associates and joint ventures, depreciation, amortisation, interest income and expenses, other finance income and costs, income tax, gains/(losses) on disposal of property, plant and equipment, impairment of non-current assets and additions of non-current segment assets used by the segments in their operations. Inter-segment pricing is determined primarily on a consistent basis using market benchmarks.

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Year ended 31 December 2023

USD million	Metals	Power	Adjustments	Total
Consolidated statement of profit or loss and other comprehensive income				
Revenue from external customers	*12,008*	*2,640*	–	***14,648***
Primary aluminium and alloys	9,933	–	–	**9,933**
Alumina and bauxite	513	–	–	**513**
Semi-finished products and foil	550	314	–	**864**
Electricity	128	1,518	–	**1,646**
Heat	55	421	–	**476**
Other	829	387	–	**1,216**
Inter-segment revenue	*205*	*947*	*(1,152)*	**–**
Total segment revenue	**12,213**	**3,587**	**(1,152)**	**14,648**
Operating expenses (excluding depreciation and gain/loss on disposal of property, plant and equipment)	(11,427)	(2,295)	1,231	**(12,491)**
Adjusted EBITDA	**786**	**1,292**	**79**	**2,157**
Depreciation and amortisation	(540)	(228)	3	**(765)**
(Loss)/gain on disposal of property, plant and equipment	(4)	8	–	**4**
Impairment of non-current assets	(321)	(45)	–	**(366)**
Results from operating activities	**(79)**	**1,027**	**82**	**1,030**
Share of profits and impairment of associates and joint ventures	752	–	–	**752**
Interest expense, net	(312)	(343)	–	**(655)**
Other finance costs, net	(117)	(134)	–	**(251)**
Profit before tax	**244**	**550**	**82**	**876**
Income tax expense	38	(195)	(3)	**(160)**
Profit for the year	**282**	**355**	**79**	**716**
Additions to non-current segment assets during the year (note 11(b))	(1,121)	(443)	7	**(1,557)**

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USD million	Metals	Power	Adjustments	Total
Consolidated statement of financial position				
Segment assets, excluding cash and cash equivalents and interests in associates and joint ventures	14,856	5,551	(908)	**19,499**
Investment in Metals segment	–	4,595	(4,595)	**–**
Cash and cash equivalents	2,087	260	–	**2,347**
Interests in associates and joint ventures	4,521	21	–	**4,542**
Total segment assets	**21,464**	**10,427**	**(5,503)**	**26,388**
Segment liabilities, excluding loans, borrowings and bonds payable	2,582	1,405	(244)	**3,743**
Loans, borrowings and bonds payable	7,866	3,198	–	**11,064**
Total segment liabilities	**10,448**	**4,603**	**(244)**	**14,807**
Total segment equity	11,016	5,824	(5,259)	**11,581**
Total segment equity and liabilities	**21,464**	**10,427**	**(5,503)**	**26,388**
Consolidated statement of cash flows				
Cash flows from / (used in) operating activities	**1,760**	**963**	**(2)**	**2,721**
Cash flows (used in) / from investing activities	**(1,030)**	**(391)**	**2**	**(1,419)**
Acquisition of property, plant and equipment, intangible assets	(1,056)	(394)	2	**(1,448)**
Cash paid for investment in equity securities measured at fair value through profit and loss	(5)	–	–	**(5)**
Cash paid for other investments	(49)	(20)	–	**(69)**
Interest received	61	23	–	**84**
Other investing activities	19	–	–	**19**
Cash flows used in financing activities	**(1,747)**	**(530)**	**–**	**(2,277)**
Interest paid	(422)	(260)	–	**(682)**
Restructuring fees	(30)	(1)	–	**(31)**
Settlements of derivative financial instruments	(2)	–	–	**(2)**
Other financing activities	(1,293)	(269)	–	**(1,562)**
Net change in cash and cash equivalents	**(1,017)**	**42**	**–**	**(975)**

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Year ended 31 December 2022

USD million	Metals	Power	Adjustments	Total
Consolidated statement of profit or loss and other comprehensive income				
Revenue from external customers	*13,755*	*2,794*	–	***16,549***
Primary aluminium and alloys	11,384	–	–	**11,384**
Alumina and bauxite	557	–	–	**557**
Semi-finished products and foil	581	340	–	**921**
Electricity	233	1,611	–	**1,844**
Heat	62	463	–	**525**
Other	938	380	–	**1,318**
Inter-segment revenue	*219*	*1,091*	*(1,310)*	**–**
Total segment revenue	**13,974**	**3,885**	**(1,310)**	**16,549**
Operating expenses (excluding depreciation and loss on disposal of property, plant and equipment)	(11,946)	(2,631)	1,147	**(13,430)**
Adjusted EBITDA	**2,028**	**1,254**	**(163)**	**3,119**
Depreciation and amortisation	(503)	(221)	4	**(720)**
Loss on disposal of property, plant and equipment	(13)	(10)	–	**(23)**
Impairment of non-current assets	(196)	(174)	–	**(370)**
Results from operating activities	**1,316**	**849**	**(159)**	**2,006**
Share of profits of associates and joint ventures	1,555	(2)	–	**1,553**
Interest expense, net	(349)	(524)	–	**(873)**
Other finance costs, net	(356)	296	(173)	**(233)**
Profit before tax	**2,166**	**619**	**(332)**	**2,453**
Income tax expense	(373)	(235)	1	**(607)**
Profit for the year	**1,793**	**384**	**(331)**	**1,846**
Additions to non-current segment assets during the year (note 11(b))	(1,242)	(523)	–	**(1,765)**

USD million	**Metals**	**Power**	**Adjustments**	**Total**
Consolidated statement of financial position				
Segment assets, excluding cash and cash equivalents and interests in associates and joint ventures	16,261	6,690	(944)	**22,007**
Investment in Metals segment	–	4,595	(4,595)	**–**
Cash and cash equivalents	3,196	281	–	**3,477**
Interests in associates and joint ventures	5,174	20	–	**5,194**
Total segment assets	**24,631**	**11,586**	**(5,539)**	**30,678**
Segment liabilities, excluding loans and borrowings and bonds payable	2,867	1,680	(201)	**4,346**
Loans, borrowings and bonds payable	9,457	4,143	–	**13,600**
Total segment liabilities	**12,324**	**5,823**	**(201)**	**17,946**
Total segment equity	12,307	5,763	(5,338)	**12,732**
Total segment equity and liabilities	**24,631**	**11,586**	**(5,539)**	**30,678**
Consolidated statement of cash flows				
Cash flows (used in) / from operating activities	**(412)**	**986**	**(2)**	**572**
Cash flows from / (used in) investing activities	**472**	**(254)**	**(171)**	**47**
Acquisition of property, plant and equipment, intangible assets	(1,239)	(474)	2	**(1,711)**
Cash paid for investment in equity securities measured at fair value through profit and loss	(113)	–	–	**(113)**
Cash received from other investments	97	14	–	**111**
Dividends from associates and joint ventures	1,639	–	–	**1,639**
Dividends from Metals segment	–	173	(173)	**–**
Interest received	70	34	–	**104**
Other investing activities	18	(1)	–	**17**
Cash flows from / (used in) financing activities	**1,415**	**(846)**	**173**	**742**
Interest paid	(428)	(559)	–	**(987)**
Restructuring fees	(17)	(4)	–	**(21)**
Settlements of derivative financial instruments	(229)	–	–	**(229)**
Dividends to Power segment	(173)	–	173	**–**
Dividends to non-controlling shareholders	(129)	–	–	**(129)**
Other financing activities	2,391	(283)	–	**2,108**
Net change in cash and cash equivalents	**1,475**	**(114)**	**–**	**1,361**

(i) Geographic information

The Group's operating segments are managed on a worldwide basis, but operate in four principal geographical areas: the CIS, Europe, Africa and the Americas. In the CIS, production facilities operate in Russia. In Europe, production facilities are located in Italy, Ireland and Sweden. African production facilities are represented by the bauxite mines and an alumina refinery in Guinea. In the Americas the Group operates one production facility in Jamaica.

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's property, plant and equipment, intangible assets and interests in associates and joint ventures ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset. Unallocated specified non-current assets comprise mainly goodwill and interests in associates and joint ventures.

	Year ended 31 December	
Revenue from external customers	**2023**	**2022**
	USD million	**USD million**
Russia	5,897	6,267
China	2,855	1,122
South Korea	1,191	1,184
Turkey	1,182	1,011
Greece	341	339
Germany	268	441
Netherlands	256	884
Spain	237	104
Japan	229	963
Poland	222	385
Byelorussia	211	133
Italy	198	303
India	133	54
France	129	223
Uzbekistan	128	94
Ireland	115	221
Other countries	1,056	2,821
	14,648	**16,549**

	31 December	
Specified non-current assets	**2023**	**2022**
	USD million	**USD million**
Russia	14,198	16,006
Ireland	89	94
Guinea	234	237
Sweden	–	53
Unallocated	3,499	3,786
	18,020	**20,176**

5. Revenues

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The details of significant accounting policies in relation to the Group's various goods and services are set out below:

Sales of goods: comprise sale of primary aluminium, alloys, alumina, bauxite and other products. Customers obtain control of the goods supplied when the goods are delivered to the point when risks are transferred based on Incoterms delivery terms stated in the contract, legal title to the asset and physical possession of the asset is transferred. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 60 days or in advance. Under certain Group sale contracts, the final price for the goods shipped is determined a few months later than the delivery took place. Under current requirements the Group determines the amount of revenue at the moment of recognition based on estimated selling price at the date of the invoice issued. At price finalisation the difference between estimated price and actual one is recognised as other revenue.

Rendering of transportation services: as part of sales of goods the Group also performs transportation to the customer under contract terms. In certain cases, the control of goods delivered is transferred to customers prior to transportation being completed. In these cases rendering of transportation services from when the control of goods has been transferred is considered as a separate performance obligation.

Rendering of electricity supply services: The Group is involved in sales of energy to third and related parties. Invoices are issued once a month at the end of month and paid within 30 days. Revenue is recognised over time during the month of energy supply.

	Year ended 31 December	
	2023	2022
	USD million	USD million
Sales of primary aluminium and alloys	**9,933**	**11,384**
Third parties	9,689	11,164
Related parties – companies capable of exerting significant influence	241	211
Related parties – associates and joint ventures	3	3
Related parties – other	–	6
Sales of alumina and bauxite	**513**	**557**
Third parties	248	251
Related parties – associates and joint ventures	265	306
Sales of semi-finished products and foil	**864**	**921**
Third parties	864	921
Sales of electricity	**1,646**	**1,844**
Third parties	1,607	1,803
Related parties – associates and joint ventures	39	39
Related parties – other	–	2
Sales of heat	**476**	**525**
Third parties	474	513
Related parties – companies capable of exerting significant influence	2	3
Related parties – other	–	9
Other revenues	**1,216**	**1,318**
Third parties	977	1,055
Related parties – companies capable of exerting significant influence	35	21
Related parties – associates and joint ventures	204	238
Related parties – other	–	4
	14,648	**16,549**

All revenue of the Group relates to revenue from contracts with customers.

6. Other operating expenses, net

	Year ended 31 December	
	2023	2022
	USD million	USD million
Charity	(38)	(53)
Impairment of trade and other receivables	(16)	(169)
Gain/(loss) on disposal of property, plant and equipment	4	(23)
Other operating expenses, net	(118)	(8)
	(168)	**(253)**

7. Personnel costs

Personnel costs comprise salaries, annual bonuses, annual leave, cost of non-monetary benefits and social contributions. Salaries, annual bonuses, paid annual leave and cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The employees of the Group are also members of retirement schemes operated by local authorities. The Group is required to contribute a certain percentage of their payroll to these schemes to fund the benefits.

The Group's total contribution to those schemes charged to profit or loss during the years presented is shown below.

The Group's net obligation in respect of defined benefit pension and other post-retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

Where there is a change in actuarial assumptions, the resulting actuarial gains and losses are recognised directly in other comprehensive income.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss immediately.

The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, any related actuarial gains and losses.

	Year ended 31 December	
	2023	2022
	USD million	USD million
Contributions to defined contribution retirement plans	(288)	(348)
Contributions to defined benefit retirement plans	(1)	(3)
Total retirement costs	**(289)**	**(351)**
Wages and salaries	(1,277)	(1,547)
	(1,566)	**(1,898)**

8. Finance income and costs

Finance income comprises interest income on funds invested, dividend income and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on loans and bonds, foreign currency losses and changes in the fair value of financial assets at fair value through profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method, except for borrowing costs related to the acquisition, construction and production of qualifying assets which are recognised as part of the cost of such assets.

Foreign currency gains and losses are reported on a net basis. Foreign exchange loss on loans and borrowing for the year ended 31 December 2023 amounted to USD 162 million (2022: loss of USD 164 million).

	Year ended 31 December	
	2023	2022
	USD million	USD million
Finance income		
Interest income	93	115
Dividend income	27	38
Change in fair value of financial assets and liabilities	–	31
	120	**184**
Finance costs		
Interest expense	(748)	(988)
Change in fair value of derivative financial instruments (note 19)	(99)	(191)
Net foreign exchange loss	(85)	(111)
Change in fair value of financial assets and liabilities	(94)	–
	(1,026)	**(1,290)**

9. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders for the years ended 31 December 2023 and 31 December 2022.

	Year ended 31 December	
	2023	2022
Weighted average number of shares	502,337,774	502,337,774
Profit for the year attributable to the shareholders of the Parent Company, USD million	596	1,083
Basic and diluted earnings per share, USD	**1.186**	**2.156**

There were no outstanding dilutive instruments during the years ended 31 December 2023 and 31 December 2022.

10. Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax liability is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liability is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that a) is not a business combination, b) affects neither accounting nor taxable profit, c) at the time of the transaction, does not give rise to equal taxable and deductible temporary differences; and for taxable differences relating to investments in subsidiaries, branches and associates, and interests in joint arrangements to the extent that they are controllable by the Group and probably will not reverse in the foreseeable future. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liability. Such changes to tax liabilities will impact tax expenses in the period that such a determination is made. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group has both the right and the intention to settle its current tax assets and liabilities on a net or simultaneous basis.

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A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax asset is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and does not give rise to equal taxable and deductible temporary differences, and for deductible differences relating to investments in subsidiaries, branches and associates, and interests in joint arrangements to the extent that they probably will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Withholding taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividends is recognised.

(a) Income tax expense

	Year ended 31 December	
	2023	2022
	USD million	USD million
Current tax expense		
Current tax for the year	(370)	(553)
Deferred tax expense		
Origination and reversal of temporary differences	210	(54)
	(160)	**(607)**

The Parent Company is a tax resident of the Russian SAR (special administrative region). Companies which register in the SAR as part of the continuance out of a foreign jurisdiction (such as the Parent Company) may have a number of tax benefits, subject to certain conditions.

The Parent Company and subsidiaries pay income taxes in accordance with the legislative requirements of their respective tax jurisdictions. For companies domiciled in Russia the applicable tax rate is 20%; Guinea is 0%; China is 25%; Kazakhstan is 20%; Australia is 30%; Jamaica is 25%; Ireland is 12.5%; Sweden is 20.6%, Italy is 27.9%, Switzerland of 9.07% and 11.82%, United Arab Emirates is 0% and 9%. For the UC RUSAL's significant trading companies, the applicable tax rate range from 0% to 25%. The applicable tax rates for the year ended 31 December 2023 were the same as for the year ended 31 December 2022 except for tax rates for subsidiaries domiciled in Switzerland which amounted to 9.06% and 11.8%.

Reconciliation of effective tax rate

	Year ended 31 December			
	2023		2022	
	USD million	%	USD million	%
Profit before taxation	**876**	**(100)**	**2,453**	**(100)**
Income tax at tax rate applicable for the Parent Company	**(175)**	**20**	**(491)**	**20**
Other non-deductible/taxable items, net	(5)	–	54	(2)
Effect of changes in investment in Norilsk Nickel	126	(14)	288	(12)
Change in unrecognised deferred tax assets	(213)	24	(269)	11
Effect of reversal of impairment / (impairment)	(43)	5	(18)	1
Effect of windfall tax	(58)	7	–	–
Effect of different income tax rates	208	(24)	(171)	7
Income tax	**(160)**	**18**	**(607)**	**25**

(b) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items:

	Assets		Liabilities		Net	
	31 December		31 December		31 December	
USD million	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Property, plant and equipment	120	118	(1,243)	(1,423)	**(1,123)**	**(1,305)**
Inventories	69	50	(44)	(29)	**25**	**21**
Trade and other receivables	88	83	(62)	(55)	**26**	**28**
Trade and other payables and advances received	33	26	–	–	**33**	**26**
Tax loss carry-forward	72	143	–	–	**72**	**143**
Others	363	120	(123)	(157)	**240**	**(37)**
Tax assets/(liabilities)	**745**	**540**	**(1,472)**	**(1,664)**	**(727)**	**(1,124)**
Set off of tax	(481)	(442)	481	442	–	–
Net deferred tax assets/(liabilities)	**264**	**98**	**(991)**	**(1,222)**	**(727)**	**(1,124)**

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(c) Movement in temporary differences during the year

USD million	**1 January 2023**	**Recognised in profit or loss**	**Recognised in other comprehen-sive income**	**Currency translation**	**31 December 2023**
Property, plant and equipment	(1,305)	(17)	–	199	(1,123)
Inventories	21	5	–	(1)	25
Trade and other receivables	28	(1)	–	(1)	26
Trade and other payables and advances received	26	9	–	(2)	33
Tax loss carry-forwards	143	(68)	–	(3)	72
Others	(37)	282	–	(5)	240
	(1,124)	**210**	**–**	**187**	**(727)**

Others comprise mostly deferred tax assets/(liabilities) arising on foreign exchange differences attributable to various financial instruments.

USD million	**1 January 2022**	**Recognised in profit or loss**	**Recognised in other comprehen-sive income**	**Currency translation**	**31 December 2022**
Property, plant and equipment	(1,153)	14	(132)	(34)	(1,305)
Inventories	58	(37)	–	–	21
Trade and other receivables	29	(1)	–	–	28
Trade and other payables and advances received	23	3	–	–	26
Tax loss carry-forwards	90	48	–	5	143
Others	39	(81)	–	5	(37)
	(914)	**(54)**	**(132)**	**(24)**	**(1,124)**

Recognised tax losses expire in the following years:

Year of expiry	**31 December 2023 USD million**	**31 December 2022 USD million**
Without expiry	72	143
	72	**143**

(d) Unrecognised deferred taxes

At 31 December 2023 and 2022 the Group has not recognized deferred tax in respect to temporary differences associated with investments in subsidiaries as the Group is able to control the timing of reversal of those investments and does not intend to reverse them in the foreseeable future.

At 31 December 2023 and 2022 the Group has not recognized deferred tax in respect to temporary differences associated with investments in associates and joint ventures as both distribution of dividends and profit on sales are non-taxable.

Deferred tax assets have not been recognised in respect of the following items:

	31 December 2023 USD million	**31 December 2022 USD million**
Deductible temporary differences	1,086	1,040
Tax loss carry-forwards	841	748
	1,927	**1,788**

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom. Tax losses expire in the following years:

Year of expiry	31 December 2023 USD million	31 December 2022 USD million
Without expiry	841	745
From 6 to 10 years	–	3
	841	**748**

(e) Current taxation in the consolidated statement of financial position represents

	31 December 2023 USD million	31 December 2022 USD million
Net income tax (receivable)/payable at the beginning of the year	(18)	44
Income tax for the year (including windfall tax)	370	553
Income tax paid (including windfall tax)	(365)	(599)
Translation difference	47	(16)
	34	**(18)**
Represented by:		
Income tax payable (note 15(d))	48	199
Income tax receivable	(14)	(217)
Net income tax payable/(receivable)	**34**	**(18)**

(f) Windfall tax

On 4 August 2023, Federal Law No. 414-FZ *On Windfall Tax* was adopted. The Law establishes the procedure for determining and paying a one-off tax on excess (windfall) profits.

The tax base for windfall tax is determined as the amount by which the arithmetic mean of profits for 2021-2022 exceeds that for 2018-2019. The tax rate is 10%. The tax is payable before 28 January 2024.

The Law also provides for the option of an early security payment to be made between 1 October and 30 November 2023. The security payment will form a tax credit that the taxpayer can use to reduce the tax. The amount of such tax credit cannot exceed ½ of the amount of tax payable. The tax credit is assumed to be zero if the advance payment is refunded (in full or in part) upon the taxpayer's claim. This effectively allows reducing the tax rate to 5%.

The Group has applied the option of reducing the tax amount by making an early security payment. Therefore, in these consolidated financial statements, the Group recognized a windfall tax liability in the amount of USD 58 million within both current income tax expense and current tax liability, which has been settled with the security payment advance at the reporting date.

11. Property, plant and equipment

(a) Accounting policy

(i) Recognition and measurement

Until 1 January 2016 all items of property, plant and equipment were measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment at 1 January 2004, the date of transition to IFRSs, was determined by reference to its fair value at that date. Since 1 January 2016 the Group's hydro assets are measured at a revalued amount.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of periodic relining of electrolysers is capitalised and depreciated over the expected production period.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within gain/(loss) on disposal of property, plant and equipment in profit or loss.

Hydro assets are a class of property, plant and equipment with unique nature and use in their hydropower plants. The Group's hydro assets are measured at a revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made based on periodic valuation by an external independent valuer.

A class of assets may be revalued on a rolling basis provided that revaluations of the class of assets are completed within a short period and provided the revaluations are kept up to date.

A revaluation increase on hydro assets is recognised directly under the heading of revaluation surplus in other comprehensive income. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation decrease on hydro assets is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Exploration and evaluation assets

Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activities include:

- Researching and analysing historical exploration data;
- Gathering exploration data through topographical, geochemical and geophysical studies;
- Exploratory drilling, trenching and sampling;
- Determining and examining the volume and grade of the resource;
- Surveying transportation and infrastructure requirements; and
- Conducting market and finance studies.

Administration costs that are not directly attributable to a specific exploration area are charged to profit or loss.

License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.

Exploration and evaluation expenditure is capitalised as exploration and evaluation assets when it is expected that expenditure related to an area of interest will be recouped by future exploitation, sale, or, at the reporting date, the exploration and evaluation activities have not reached a stage that permits a reasonable assessment of the existence of commercially recoverable ore reserves. Capitalised exploration and evaluation expenditure is recorded as a component of property, plant and equipment at cost less impairment losses. As the asset is not available for use, it is not depreciated. All capitalised exploration and evaluation expenditure is monitored for indications of impairment. Where there are indicators of potential impairment, an assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash-generating unit, CGU) to which the exploration is attributed. Exploration areas at which reserves have been discovered but which require major capital expenditure before production can begin are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway or planned. To the extent that capitalised expenditure is not expected to be recovered it is charged to profit or loss.

Exploration and evaluation assets are transferred to mining property, plant and equipment or intangible assets when development is sanctioned.

(iv) Stripping costs

Expenditure relating to the stripping of overburden layers of ore, including estimated site restoration costs, is included in the cost of production in the period in which it is incurred.

However, to the extent the benefit is improved access to ore, the Group recognises these costs as a non-current asset, if only: (a) it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity; (b) the entity can identify the component of the ore body for which access has been improved; and (c) the costs relating to the stripping activity associated with that component can be measured reliably.

(v) Mining assets

Mining assets are recorded as construction in progress and transferred to mining property, plant and equipment when a new mine reaches commercial production.

Mining assets include expenditure incurred for acquiring mineral and development rights and developing new mining operations.

Mining assets include interest capitalised during the construction period, when financed by borrowings.

(vi) Depreciation

The carrying amounts of property, plant and equipment (including initial and any subsequent capital expenditure) are depreciated to their estimated residual value over the estimated useful lives of the specific assets concerned, or the estimated life of the associated mine or mineral lease, if shorter. Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining depreciation charges. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross amount of the assets, and the net amount is restated to the revalued amount of the asset.

The property, plant and equipment is depreciated on a straight-line or units of production basis over the respective estimated useful lives as follows:

- Hydro assets — predominantly 38 to 100 years;
- Buildings and constructions — 10 to 50 years;
- Machinery and equipment — 5 to 40 years;
- Electrolysers — 4 to 15 years;
- Mining assets — Units of production on proved and probable reserves;
- Other — 1 to 30 years.

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(b) Disclosure

USD million	Land and buildings	Machinery and equipment	Electrolysers	Hydro assets	Mining assets	Construction in progress	Other	Total
Cost								
1 January 2022	**5,151**	**8,227**	**3,032**	**3,460**	**672**	**3,206**	**339**	**24,087**
Additions	32	61	–	–	22	1,650	–	**1,765**
Acquired through business combinations	5	19	–	–	–	–	9	**33**
Disposals	(32)	(109)	(16)	–	(132)	(26)	(10)	**(325)**
Transfers	202	400	295	45	9	(978)	27	–
Revaluation of hydro assets as at 31 December 2022	–	–	–	464	–	–	–	**464**
Translation difference	83	90	(13)	197	11	38	12	**418**
At 31 December 2022	**5,441**	**8,688**	**3,298**	**4,166**	**582**	**3,890**	**377**	**26,442**
Additions	25	68	–	–	49	1,403	12	**1,557**
Acquired through business combinations	–	5	–	–	–	–	–	**5**
Disposals	(231)	(374)	(1,938)	–	(42)	(88)	(6)	**(2,679)**
Transfers	416	496	179	15	19	(1,156)	31	–
Translation difference	(458)	(448)	(31)	(900)	(98)	(347)	(42)	**(2,324)**
At 31 December 2023	**5,193**	**8,435**	**1,508**	**3,281**	**510**	**3,702**	**372**	**23,001**

USD million	Land and buildings	Machinery and equipment	Electrolysers	Hydro assets	Mining assets	Construction in progress	Other	Total
Depreciation and impairment losses								
1 January 2022	**(2,965)**	**(6,536)**	**(2,672)**	**(93)**	**(619)**	**(805)**	**(280)**	**(13,970)**
Depreciation charge	(157)	(297)	(169)	(90)	(8)	–	(10)	**(731)**
(Impairment losses) / reversal of impairment	(42)	(150)	4	–	87	(240)	(6)	**(347)**
Disposals	16	86	12	–	10	–	8	**132**
Revaluation of hydro assets as at 31 December 2022	–	–	–	186	–	–	–	**186**
Translation difference	(34)	(47)	11	(3)	(8)	(16)	(8)	**(105)**
At 31 December 2022	**(3,182)**	**(6,944)**	**(2,814)**	**–**	**(538)**	**(1,061)**	**(296)**	**(14,835)**
Depreciation charge	(157)	(314)	(175)	(91)	(10)	–	(17)	**(764)**
(Impairment losses) / reversal of impairment	(2)	(74)	(22)	–	(25)	(177)	(4)	**(304)**
Disposals	221	350	1,938	–	6	46	4	**2,565**
Transfers and reclassifications	(91)	–	–	–	–	92	(1)	**–**
Translation difference	234	300	26	5	91	125	28	**809**
At 31 December 2023	**(2,977)**	**(6,682)**	**(1,047)**	**(86)**	**(476)**	**(975)**	**(286)**	**(12,529)**
Net book value								
At 1 January 2022	**2,186**	**1,691**	**360**	**3,367**	**53**	**2,401**	**59**	**10,117**
At 31 December 2022	**2,259**	**1,744**	**484**	**4,166**	**44**	**2,829**	**81**	**11,607**
At 31 December 2023	**2,216**	**1,753**	**461**	**3,195**	**34**	**2,727**	**86**	**10,472**

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Depreciation expense of USD 707 million (2022: USD 670 million) has been charged to cost of goods sold, USD 6 million (2022: USD 7 million) to distribution expenses and USD 30 million (2022: USD 23 million) to administrative expenses.

Interest capitalised for the years ended 31 December 2023 and 31 December 2022 was USD 60 million and USD 39 million, respectively. The average capitalisation rate was 7.49% (2022: 6.67%).

Included in construction in progress at 31 December 2023 and 31 December 2022 are advances to suppliers of property, plant and equipment of USD 249 million and USD 164 million, respectively.

(c) Impairment

Management reviewed the carrying amount of the Group's non-financial assets at the reporting date to determine whether there were any indicators of impairment or reversal of impairment.

Management identified that due to fluctuations of aluminium prices, increase of oil and gas prices, fluctuations of coal sale prices and additional volumes of electricity transmission set in further periods and overall market instability impairment loss may be recognised for a number of cash-generating units as well as previously recognised impairment loss may require reversal. For alumina cash generating units, major influence was from unfavourable dynamics in prices of energy resources being a significant part of cash cost.

For the purposes of impairment testing, value in use of each cash generating unit was determined by discounting expected future net cash flows of the cash generating unit. Values assigned to key assumptions and estimates used to measure the units' recoverable amount was based on external sources of information and historical data. Management believes that the values assigned to the key assumptions and estimates represented the most realistic assessment of future trends.

Metals

At 31 December 2023 and 31 December 2022 management identified several indicators that a number of the Group's CGUs may be impaired or that previously recognised impairment losses may need to be reversed.

Based on results of impairment testing as at 31 December 2023, management has concluded that a reversal of previously recognised impairment loss relating to property, plant and equipment should be recognised in these consolidated financial statements in respect of RUSAL Sayanal, Kremny and Rusal Silicon Ural in the amount of USD 117 million. Additionally management concluded that at the same date an impairment loss relating to property, plant and equipment of Kubikenborg Aluminium (Kubal) and Taishet aluminium smelter in the amount of USD 270 million should be recognised in these consolidated financial statements.

Based on results of impairment testing as at 31 December 2022, management has concluded that an impairment loss relating to property, plant and equipment of RUSAL Sayanal and PGLZ in the amount of USD 85 million should be recognised in these consolidated financial statements.

Assumptions used to determine the recoverable amount of the cash generating units are the same as disclosed in note 12(d). The pre-tax discount rates applied to the above mentioned cash generating units, estimated in nominal terms based on an industry weighted average cost of capital, are presented in the table below.

	Year ended 31 December	
	2023	**2022**
Taishet aluminium smelter	18.7%	16.0%
RUSAL Sayanal	21.9%	14.3%
PGLZ	16.6%	14.3%
Kremny	19.7%	14.3%
RUSAL Silicon Ural	19.8%	14.3%
Kubal	14.5%	13.1%

The recoverable amounts of a number of the cash generating units tested for impairment are particularly sensitive to changes in forecast aluminium and alumina prices, foreign exchange rates and applicable discount rates.

The results of impairment testing of Taishet aluminium smelter are particularly sensitive to the following key assumptions:

- Five percent reduction in the projected aluminium price level will result in a decrease in the recoverable amount of Taishet aluminium smelter and will lead to an additional impairment in the total amount of USD 566 million;
- One percent increase in the discount rate applied will result in a decrease in the recoverable amount of Taishet aluminium smelter and will lead to an additional impairment in the total amount of USD 327 million.

Additionally, management identified specific items of property, plant and equipment that are no longer in use and therefore are not considered to be recoverable amounting to USD 111 million at 31 December 2023 (2022: USD 99 million). These assets have been impaired in full. No further impairments of property, plant and equipment or reversal of previously recorded impairment were identified.

Power

At 31 December 2023 and 2022 management identified several indicators that property, plant and equipment of the Coal CHPs and Irkutsk GridCo CGUs may be impaired.

Based on results of impairment testing as at 31 December 2023, management concluded that no impairment losses should be recognised. Based on results of impairment testing as at 31 December 2022, management concluded that impairment losses of USD 23 million and USD 29 million regarding Irkutsk GridCo and Coal CHPs CGUs, respectively, should be recognized.

The following key assumptions were used to determine the recoverable amount of the Irkutsk GridCo CGU:

	Year ended 31 December	
	2023	2022
Sales volumes of electricity transmission in 2024/2023	55 mln MWh	54 mln MWh
Expected growth of sales volumes till 2033/2032	19%	11%
Tariffs for electricity transmission in 2024/2023	USD 5-8 (RUB 471-748)	USD 6-10 (RUB 442-726)
Tariffs growth till 2033/2032	49%	50%
Pre-tax discount rate	15%-19.8%	15%-15.6%

The anticipated price/tariffs growth included in the cash flow projections for the years from 2024 to 2033 have been based on the publicly available forecasts of Ministry of Economic Development of the Russian Federation.

The recoverable amounts estimated at 31 December 2023 and 31 December 2022 include cash flows from sales of electricity transmission to Taishet aluminium smelter.

The recoverable amount of the Irkutsk GridCo CGU is also particularly sensitive to changes in forecast electricity transmission volumes and tariffs, as well as applicable discount rates.

The following key assumptions were used to determine the recoverable amount of the Coal CHPs CGU:

	Year ended 31 December	
	2023	2022
Electricity sales volumes in 2024/2023	36 mln MWh	34 mln MWh
Electricity sales volumes growth till 2033/2032	15%	6%
Electricity sales prices in 2024/2023	USD 8-27 (RUB 690-2,420)	USD 10-31 (RUB 684-2,204)
Electricity sales prices growth till 2033/2032	42%-50%	48%-52%
Sales volumes of heat in 2024-2033/2023-2032	20 mln Gcal	20 mln Gcal
Heat tariffs in 2024/2023	USD 16 (RUB 1,453)	USD 20 (RUB 1,375)
Tariffs growth till 2033/2032	48%	63%
Sales volumes of coal in 2024/2023	15,907 ths tonnes	15,846 ths tonnes
Expected growth of sales volumes of coal till 2033/2032	8%	(3)%
Weighted average price for coal in 2024/2023	USD 14 (RUB 1,225)	USD 17 (RUB 1,177)
Weighted average price growth after 2024/2023	3%-8%	1%-9%
Pre-tax discount rate	15.6%-20.4%	15.7%

The recoverable amount of Coal CHP CGU is particularly sensitive to changes in forecast electricity and coal sales prices, forecast of sales volumes as well as applicable discount rates.

Additionally, management identified specific items of property, plant and equipment that are not considered to be recoverable amounting to USD 41 million (2022: USD 122 million). No further impairment of property, plant and equipment or reversal of previously recorded impairments was identified.

(d) Security

The carrying value of property, plant and equipment pledged under the loan agreements was USD 125 million at 31 December 2023 (31 December 2022: USD 53 million) (note 17).

(e) Hydro assets

As disclosed in note 11(a)(i), the Group regularly performs an independent valuation of its hydro assets. As at 31 December 2023 the valuation by external independent appraiser was not performed because based on management's analysis, the fair value of hydro assets approximated their carrying amount at that date. As at 31 December 2022 the independent appraiser estimated the fair value of hydro assets at USD 4,166 million with an equity effect of USD 650 million and revaluation loss of USD nil million recognised in profit or loss.

The valuation analysis as at 31 December 2022 was primarily based on the cost approach to determine depreciated replacement cost as it is the most reliable method to estimate value for assets that do not have an active market and do not generate an identifiable revenue stream by asset. This method considers the cost to reproduce or replace the property, plant and equipment, adjusted for physical depreciation, functional and economic obsolescence.

Depreciated replacement cost was estimated based on internal sources and, where available, analysis of the Russian and international markets for similar property, plant and equipment. Various market data were collected from published information, catalogues, statistical data etc.

In addition, cash flow testing was conducted to identify if there is any economic obsolescence of the hydro assets. Forecasts of net cash flows were determined based on the actual results for the preceding years and approved budgets. Based on the analysis results as at 31 December 2022 economic obsolescence of Onda HPP was recognised and included into results of valuation analysis. As at 31 December 2023 there was no economic obsolescence.

The fair value measurement for hydro assets have been categorised as Level 3 fair values based on the inputs to the valuation techniques used.

If the cost model is applied, net book value of hydro assets as at 31 December 2023 would be USD 328 million (31 December 2022: USD 409 million).

(f) Leases

The Group assesses whether a contract is or contains a lease based on whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment or modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for the leases of properties in which Group acts as a lessee, the Group does not separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options, the assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

In determining the enforceable period (i.e. the maximum lease term), the Group considers whether both it and the lessor has a right to terminate the lease without permission from the other party and, if so, whether that termination would result in more than an insignificant penalty. If a more than insignificant penalty exists, then the enforceable period extends until the point at which a no more than an insignificant penalty exists.

The Group leases many assets, including land, properties and production equipment. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability as required by IFRS 16.

The cost comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group presents right-of-use assets as part of property plant and equipment in the same line item as it presents underlying assets of the same nature that it owns. Additions to right-of-use assets were in the amount of USD 28 million during the year ended 31 December 2023 (31 December 2022: USD 45 million). The carrying amounts of right-of-use assets are presented below.

	Property, plant and equipment		
USD million	**Land and buildings**	**Machinery and equipment**	**Total**
Balance at 1 January 2023	42	23	**65**
Balance at 31 December 2023	**43**	**13**	**56**

Total depreciation charges related to the right-of-use assets for the year ended 31 December 2023 amount to USD 19 million (31 December 2022: USD 17 million).

USD 3 million of right-of-use assets has been impaired during the year ended 31 December 2023 (31 December 2022: USD 2 million reversed). The Group's total cash outflow for leases was in the amount of USD 24 million for the year ended 31 December 2023 (31 December 2022: USD 25 million).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

In accordance with IFRS 16 variable payments which do not depend on index or rate, e.g. which do not reflect changes in market rental rates, should not be included in the measurement of lease liability. In respect of municipal or federal land leases where lease payments are based on cadastral value of the land plot and do not change until the next revision of that value or the applicable rates (or both) by the authorities, the Group has determined that, under the current revision mechanism, the land lease payments cannot be considered as either variable that depend on index or rate or in-substance fixed, and therefore these payments are not included in the measurement of the lease liability. Future cash outflows to which the Group is potentially exposed that are not recognised in right-to-use assets and are not reflected in the measurement of lease liabilities and which arise from variable lease payments not linked to index or rate are in the amount of USD 136 million as at 31 December 2023 (31 December 2022: USD 218 million).

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group presents lease liabilities as part of other payables and other non-current liabilities in the statement of financial position depending on the period to which future lease payments relate. The total non-current part of lease liabilities as at 31 December 2023 amounted to USD 49 million (31 December 2022: USD 49 million).

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Total interest costs on leases recognised for the year ended 31 December 2023 amount to USD 6 million (31 December 2022: USD 7 million).

The Group does not recognise right-of-use assets and lease liabilities for some leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The expense relating to short-term and low-value leases in the amount of USD 21 million is included in cost of sales or administrative expenses depending on type of underlying asset for the year ended 31 December 2023 (31 December 2022: USD 28 million).

When the Group is an intermediate lessor the sub-leases are classified with reference to the right-of the use asset arising from the head lease, not with reference to the underlying asset.

12. Goodwill and intangible assets

(a) Accounting policy

(i) Goodwill

On the acquisition of a subsidiary that comprises a business, the identifiable assets, liabilities and contingent liabilities of the acquired business (or interest in a business) are recognised at their fair values unless the fair values cannot be measured reliably. Where the fair values of assumed contingent liabilities cannot be measured reliably, no liability is recognised but the contingent liability is disclosed in the same manner as for other contingent liabilities.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If concentration test is met the acquired set of activities and assets is not a business.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Goodwill arises when the cost of acquisition exceeds the fair value of the Group's interest in the net fair value of identifiable net assets acquired. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred; plus the recognised amount of any non-controlling interests in the acquiree less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Goodwill is not amortised but is tested for impairment annually. For this purpose, goodwill arising on a business combination is allocated to the cash-generating units expected to benefit from the acquisition and any impairment loss recognised is not reversed even where circumstances indicate a recovery in value.

In respect of associates or joint ventures, the carrying amount of goodwill is included in the carrying amount of the interest in the associate and joint venture and the investment as a whole is tested for impairment whenever there is objective evidence of impairment. Any impairment loss is allocated to the carrying amount of the interest in the associate and joint venture.

When the fair value of the Group's share of identifiable net assets acquired exceeds the cost of acquisition, the difference is recognised immediately in profit or loss.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use and capitalised borrowing costs. Other development expenditure is recognised in profit or loss when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses (refer to note 11(c)).

(iii) Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses (refer to note 11(c)).

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

(v) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives are as follows:

- Software 5 years;
- Other intangible assets 2-8 years.

The amortisation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

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(b) Disclosure

USD million	**Goodwill**	**Other intangible assets**	**Total**
Cost			
Balance at 1 January 2022	**2,490**	**645**	**3,135**
Additions	135	51	**186**
Disposals	–	(56)	**(56)**
Foreign currency translation	44	13	**57**
Balance at 31 December 2022	**2,669**	**653**	**3,322**
Additions	6	37	**43**
Disposals	–	(8)	**(8)**
Foreign currency translation	(292)	(33)	**(325)**
Balance at 31 December 2023	**2,383**	**649**	**3,032**
Amortisation and impairment losses			
Balance at 1 January 2022	**(449)**	**(487)**	**(936)**
Amortisation charge	–	(20)	**(20)**
Disposals	–	54	**54**
Foreign currency translation	–	(3)	**(3)**
Balance at 31 December 2022	**(449)**	**(456)**	**(905)**
Amortisation charge	–	(22)	**(22)**
Impairment	(48)	3	**(45)**
Disposals	–	7	**7**
Foreign currency translation	–	19	**19**
Balance at 31 December 2023	**(497)**	**(449)**	**(946)**
Net book value			
At 1 January 2022	**2,041**	**158**	**2,199**
At 31 December 2022	**2,220**	**197**	**2,417**
At 31 December 2023	**1,886**	**200**	**2,086**

(c) Amortisation charge

The amortisation charge is included in cost of sales and administrative expenses in consolidated statement of profit or loss and other comprehensive income.

(d) Impairment testing of goodwill and other intangible assets

For the purposes of impairment testing, goodwill is allocated to following CGUs listed below. These units represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each business, and the related impairment losses recognised, are as follows:

USD million	**Allocated goodwill 2023**	**Accumulated impairment loss 2023**	**Allocated goodwill 2022**	**Accumulated impairment loss 2022**
Aluminium Group of CGUs (Metals)	2,156	(497)	2,434	(449)
Angara HPPs (Power)	227	–	235	–
	2,383	**(497)**	**2,669**	**(449)**

Metals

The Aluminium Group of CGUs represents the lowest level within Metals segment at which goodwill is monitored for internal management purposes. The recoverable amount represents value in use as determined by discounting the future cash flows generated from the continuing use of the plants within UC RUSAL's aluminium segment.

Similar considerations to those described above in respect of assessing the recoverable amount of property, plant and equipment apply to goodwill.

At 31 December 2023, management analysed changes in the economic environment and developments in the aluminium industry and the Group's operations since 31 December 2022 and performed an impairment test for goodwill at 31 December 2023 using the following assumptions to determine the recoverable amount of the Aluminium Group of CGUs :

- Total production was estimated based on average sustainable production levels of 4.0 million metric tonnes of primary aluminium, of 5.6 million metric tonnes of alumina and of 16.2 million metric tonnes of bauxite. Bauxite and alumina will be used primarily internally for production of primary aluminium;
- The aluminium and alumina prices were based on the long-term aluminium and alumina price outlook derived from available industry and market sources and were as follows:

	2024	**2025**	**2026**	**2027**	**2028**
Aluminium sales prices, based on the long-term aluminium price outlook, USD per tonne	2,283	2,434	2,538	2,575	2,529
Alumina sales prices, based on the long-term alumina price outlook, USD per tonne	343	345	353	364	370
Nominal foreign currency exchange rates, RUB per 1 USD	91.12	92.36	93.98	94.56	95.14
Inflation in RUB	7.0%	5.3%	4.7%	4.2%	4.0%
Inflation in USD	2.8%	2.3%	2.3%	2.0%	2.0%

- Operating costs were projected based on the historical performance adjusted for inflation. Nominal foreign currency exchange rates applied to convert operating costs of the Group denominated in RUB into USD and inflation in RUB and USD assumed in determining recoverable amounts were as above;
- The pre-tax discount rate was estimated in nominal terms based on the weighted average cost of capital basis and was 20.28%;
- A terminal value was derived following the forecast period assuming a 2.0% annual growth rate.

Values assigned to key assumptions and estimates used to measure the units' recoverable amount were based on external sources of information and historic data. Management believes that the values assigned to the key assumptions and estimates represented the most realistic assessment of future trends. The results were particularly sensitive to the following key assumptions:

- A 5% reduction in the projected aluminium and alumina price levels would result in a decrease in the recoverable amount by 18% but would not lead to an impairment;
- A 5% increase in the projected level of electricity costs in the aluminium production would have resulted in a 8% decrease in the recoverable amount but would not lead to an impairment;
- A 1% increase in the discount rate would have resulted in a 8% decrease in the recoverable amount but would not lead to an impairment.

Based on results of impairment testing of goodwill, management concluded that no impairment regarding Aluminium Group of CGUs should be recorded in the consolidated financial statements as at 31 December 2023.

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At 31 December 2022, management analysed changes in the economic environment and developments in the aluminium industry and the Group's operations since 31 December 2021 and performed an impairment test for goodwill at 31 December 2022 using the following assumptions to determine the recoverable amount of the Aluminium Group of CGUs:

- Total production was estimated based on average sustainable production levels of 3.8 million metric tonnes of primary aluminium, of 5.4 million metric tonnes of alumina and of 16.5 million metric tonnes of bauxite. Bauxite and alumina will be used primarily internally for production of primary aluminium;
- The aluminium and alumina prices were based on the long-term aluminium and alumina price outlook derived from available industry and market sources and were as follows:

	2023	**2024**	**2025**	**2026**	**2027**
Aluminium sales prices, based on the long-term aluminium price outlook, USD per tonne	2,422	2,512	2,588	2,606	2,571
Alumina sales prices, based on the long-term alumina price outlook, USD per tonne	324	331	341	349	360
Nominal foreign currency exchange rates, RUB per 1USD	70.5	71.9	73.3	75.4	76.9
Inflation in RUB	7.0%	7.0%	6.0%	5.0%	4.0%
Inflation in USD	4.3%	2.2%	1.9%	2.0%	2.0%

- Operating costs were projected based on the historical performance adjusted for inflation. Nominal foreign currency exchange rates applied to convert operating costs of the Group denominated in RUB into USD and inflation in RUB and USD assumed in determining recoverable amounts were as above;
- The pre-tax discount rate was estimated in nominal terms based on the weighted average cost of capital basis and was 17.5%;
- A terminal value was derived following the forecast period assuming a 2.0% annual growth rate.

Values assigned to key assumptions and estimates used to measure the units' recoverable amount were based on external sources of information and historic data. Management believes that the values assigned to the key assumptions and estimates represented the most realistic assessment of future trends. The results were particularly sensitive to the following key assumptions:

- A 5% reduction in the projected aluminium and alumina price levels would result in a decrease in the recoverable amount by 13% but would not lead to an impairment;
- A 5% increase in the projected level of electricity and alumina costs in the aluminium production would have resulted in a 6% decrease in the recoverable amount but would not lead to an impairment;
- A 1% increase in the discount rate would have resulted in a 8% decrease in the recoverable amount but would not lead to an impairment.

Based on results of impairment testing of goodwill, management concluded that no impairment regarding Aluminium Group of CGUs should be recorded in the consolidated financial statements as at 31 December 2022.

Power

At Power segment goodwill primarily resulted from the acquisition of Angara HPPs. For the purposes of impairment testing, goodwill is allocated to the Angara HPPs CGU. It represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

Management performs impairment testing of goodwill annually at 31 December of the respective calendar year.

The recoverable amount of Angara HPPs in 2023 and 2022 was determined by reference to its value in use derived by discounting of the future cash flows generated from continuing use of production facilities.

The following key assumptions were used to determine the recoverable amount of the Angara HPPs cash-generating unit at 31 December 2023:

- The sales volumes were projected based on the approved budgets for 2024. In particular, the sales volumes of electricity in 2024 were planned at the level of 58 million MWh with a decline by 15% till 2033;
- Sales prices were based on the long-term price outlook derived from the available industry and market sources. The prices for electricity were estimated at the levels of USD 0.6-12.0 (RUB 57-1,078) per MWh depending on market segment in 2024 and increased by 43-56% respectively till 2033. Operating costs were projected based on the historical performance and the anticipated increase during the projected period was in line with inflation;
- The pre-tax discount rate was estimated in nominal terms based on the weighted average cost of capital amounted to 15.6%-20.4%;
- A terminal value was derived following the forecast period assuming a 4% annual growth rate.

The following key assumptions were used to determine the recoverable amount of the Angara HPPs cash-generating unit at 31 December 2022:

- The sales volumes were projected based on the approved budgets for 2023. In particular, the sales volumes of electricity in 2023 were planned at the level of 55 million MWh with a decline by 10% till 2032;
- Sales prices were based on the long-term price outlook derived from the available industry and market sources. The prices for electricity were estimated at the levels of USD 0.7-12.4 (RUB 49-875) per MWh depending on market segment in 2023 and increased by 48-62% respectively till 2032. Operating costs were projected based on the historical performance and the anticipated increase during the projected period was in line with inflation;
- The pre-tax discount rate was estimated in nominal terms based on the weighted average cost of capital amounted to 15.7%;
- A terminal value was derived following the forecast period assuming a 4% annual growth rate.

Reasonable possible changes in key assumptions did not lead to an impairment in either 2023 or 2022.

13. Interests in associates and joint ventures

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment losses relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss and other comprehensive income within profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the other comprehensive income, the Group's share of the post-acquisition results recorded directly in the statement of changes in equity is recognized in the consolidated statement of changes in equity as the share of other changes in equity of associate.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

An impairment loss in respect of an investment in an associate or joint venture is calculated as the difference between its carrying amount after application of the equity method of accounting and its recoverable amount. The recoverable amount of such investment is the greater of its value in use and its fair value less cost to sell. In determining the value in use of the investment the Group estimates: (a) its share of the present value of the estimated future cash flows expected to be generated by the investee, including the cash flows from the operations of the investee and the proceeds on the ultimate disposal of the investment; or (b) the present value of the estimated future cash flows expected to arise from the dividends to be received from the investee and from its ultimate disposal depending on which available information with respect to each investee is more reliable. An impairment loss is reversed to the extent that the recoverable amount of the investment subsequently increases and the resulting carrying amount does not exceed the carrying amount that would have been determined, after application of the equity method, had no impairment loss previously been recognised.

	31 December 2023 USD million	31 December 2022 USD million
Balance at the beginning of the year	**5,194**	**4,028**
Group's share of profits	752	1,553
Contribution	5	8
Dividends	(398)	(764)
Foreign currency translation	(1,011)	369
Balance at the end of the year	**4,542**	**5,194**
Goodwill included in interests in associates	1,982	2,404

The following list contains only the particulars of associates and joint ventures, all of which are corporate entities, which principally affected the results or assets of the Group.

Name of associate / joint venture	Place of incorporation and operation	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest*	Proportion of ownership interest: Group's nominal interest	Principal activity
PJSC MMC Norilsk Nickel	Russian Federation	152,863,397 shares, RUB 1 par value	15.01%	26.39%	Nickel and other metals production
Queensland Alumina Limited	Australia	2,212,000 shares, AUD 2 par value	11.38%	20%	Production of alumina under a tolling agreement
BEMO project	Cyprus, Russian Federation	BOGES Limited and BALP Limited – 10,000 shares EUR 1.71 each	28.44%	50%	Power / aluminium production

* Interest attributable to the shareholders of the Parent Company.

The summary of the consolidated financial statements of associates and joint ventures for the year ended 31 December 2023 is presented below:

	PJSC MMC Norilsk Nickel		Queensland Alumina Limited		BEMO project		Other associates and joint ventures	
	Group share	100%	Group share	100%	Group share	100%	Group share	100%
	USD million	USD million	USD million	USD million	USD million	USD million	USD million	USD million
Non-current assets	5,952	16,238	189	971	1,228	2,287	256	597
Current assets	1,938	7,342	29	146	158	304	141	328
Non-current liabilities	(1,888)	(7,154)	(80)	(388)	(676)	(1,352)	(100)	(202)
Current liabilities	(2,331)	(8,831)	(138)	(693)	(50)	(101)	(86)	(175)
Net assets	**3,671**	**7,595**	**–**	**36**	**660**	**1,138**	**211**	**548**

	PJSC MMC Norilsk Nickel		Queensland Alumina Limited		BEMO project		Other associates and joint ventures	
	Group share	100%	Group share	100%	Group share	100%	Group share	100%
	USD million	USD million	USD million	USD million	USD million	USD million	USD million	USD million
Revenue	3,803	14,409	118	592	516	1,031	292	836
Profit/(loss) from continuing operations	629	2,870	–	(20)	93	193	30	82
Other comprehensive (loss)/income	(846)	(1,856)	–	–	(162)	(324)	(3)	(3)
Total comprehensive (loss)/income	**(217)**	**1,014**	**–**	**(20)**	**(69)**	**(131)**	**27**	**79**

The summary of the consolidated financial statements of associates and joint ventures for the year ended 31 December 2022 is presented below:

	PJSC MMC Norilsk Nickel		Queensland Alumina Limited		BEMO project		Other associates and joint ventures	
	Group share	100%	Group share	100%	Group share	100%	Group share	100%
	USD million	USD million	USD million	USD million	USD million	USD million	USD million	USD million
Non-current assets	6,614	17,392	182	1,053	1,367	2,559	244	593
Current assets	2,218	8,403	27	163	201	391	121	265
Non-current liabilities	(2,517)	(9,539)	(92)	(495)	(808)	(1,616)	(110)	(220)
Current liabilities	(2,029)	(7,689)	(117)	(653)	(33)	(66)	(74)	(133)
Net assets	**4,286**	**8,567**	**–**	**68**	**727**	**1,268**	**181**	**505**

	PJSC MMC Norilsk Nickel		Queensland Alumina Limited		BEMO project		Other associates and joint ventures	
	Group share	100%	Group share	100%	Group share	100%	Group share	100%
	USD million	USD million	USD million	USD million	USD million	USD million	USD million	USD million
Revenue	4,454	16,876	110	550	678	1,356	285	821
Profit/(loss) from continuing operations	1,440	5,854	–	(20)	102	210	11	51
Other comprehensive income/(loss)	336	920	–	(25)	29	56	4	11
Total comprehensive income/(loss)	**1,776**	**6,774**	**–**	**(45)**	**131**	**266**	**15**	**62**

(a) PJSC MMC Norilsk Nickel

The Group's investment in Norilsk Nickel is accounted for using equity method and the carrying value as at 31 December 2023 and 31 December 2022 amounted USD 3,671 million and USD 4,286 million, respectively.

The Group's share of profit of Norilsk Nickel was USD 629 million, the foreign currency translation loss was USD 846 million for the year ended 31 December 2023.

The Group's share of profit of Norilsk Nickel was USD 1,440 million, the foreign currency translation gain was USD 336 million for the year ended 31 December 2022.

The fair value of the investment amounted USD 7,273 million and USD 8,775 million as at 31 December 2023 and 31 December 2022, respectively, and is determined by multiplying the quoted bid price per share on the Moscow Exchange on the year-end date by the number of shares held by the Group.

(b) Queensland Alumina Limited

The carrying value of the Group's investment in Queensland Alumina Limited as at both 31 December 2023 and 31 December 2022 amounted to USD nil million. At 31 December 2023 management has not identified any impairment reversal indicators relating to the Group's investment in QAL and as a result no detailed impairment testing was performed in relation to this investment.

(c) BEMO project

The carrying value of the Group's investment in BEMO project as at 31 December 2023 and 31 December 2022 amounted USD 660 million and USD 727 million, respectively.

For the purposes of impairment testing, the BEMO project was separated into two cash generating units – the Boguchansky Aluminium Smelter ("BoAZ') and the Boguchansky Hydro Power Plant ("BoGES"). The recoverable amount was determined by discounting the expected future net cash flows of each cash generating unit.

At 31 December 2023 management has not identified any impairment indicators relating to the Group's investment in BoGES as well as any impairment reversal indicators relating to investments in BoAZ and as a result no detailed impairment testing was performed in relation to this investment.

At 31 December 2023, accumulated losses of USD 57 million (2022: USD 73 million) related to BoAZ have not been recognised because the Group's investment has already been fully written down to USD nil million.

Additional financial information of the Group's effective interest in BEMO project for the year ended 31 December 2023 and 31 December 2022 is presented below:

	31 December 2023	31 December 2022
	USD million	USD million
Cash and cash equivalents	43	78
Current financial liabilities	(1)	(1)
Non-current financial liabilities	(548)	(633)
Depreciation and amortisation	(54)	(66)
Interest income	3	3
Interest expense	–	(6)
Income tax expense	(29)	(25)

14. Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is determined under the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Production costs include mining and concentrating costs, smelting, treatment and refining costs, other cash costs and depreciation and amortisation of operating assets.

	31 December	
	2023	2022
	USD million	USD million
Raw materials and consumables	1,404	1,634
Work in progress	779	887
Finished goods and goods for resale	1,392	1,862
	3,575	**4,383**

Inventories at 31 December 2023 and 31 December 2022 are stated at the lower of cost and net realizable value.

There were no inventory pledges as at 31 December 2023 and 31 December 2022.

15. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in securities, trade and other receivables (excluding prepayments and tax assets), cash and cash equivalents, loans and borrowings and trade and other payables (excluding advances received and tax liabilities).

Non-derivative financial instruments, except for trade and other receivables, are recognised initially at fair value plus any directly attributable transaction costs. Trade and other receivables are recognised at transaction price.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The details of significant accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 specifies three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

The Group's financial assets mostly fall within the category of financial assets measured at amortised cost. The only exception is derivative financial assets measured at fair value through profit or loss and cash flow hedges accounted through other comprehensive income (note 19) and other investments measured at fair value through profit or loss (note 15(h)). The Group's financial liabilities fall within category of financial liabilities measured at amortised cost

(a) Impairment of trade receivables

Under IFRS 9, loss allowances (expected credit losses – "ECL") are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due for Metals segment and more than 90 days past due for Power segment.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due for Metals segment and more than 180 days past due for Power segment, but additional analysis is conducted for each such receivable and assessment is updated accordingly.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset in case of long-term assets.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables are presented as part of net other operating expenses.

The following analysis provides further detail about the calculation of ECLs related to trade receivables. The Group uses an allowance matrix to measure the ECLs of trade receivables from the customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. The ECLs were calculated based on actual credit loss experience over the past two years. The Group performed the calculation of ECL rates separately for the customers of each key trading company of the Group. Exposures within each trading company were not further segmented except for individually significant customers which bear specific credit risk depending on the repayment history of the customer and relationship with the Group.

Metals

The following table provides information about determined ECLs rates for trade receivables both as at 1 January 2023 and 31 December 2023.

	Weighted-average loss rate		
	31 December 2023	1 January 2023	Credit-impaired
Current (not past due)	1%	1%	No
1-30 days past due	21%	10%	No
31-60 days past due	73%	50%	No
61-90 days past due	93%	48%	No
More than 90 days past due	47%	38%	Yes

Power

The following table provides information about determined ECLs rates for trade receivables both as at 1 January 2023 and 31 December 2023.

	Weighted-average loss rate		
	31 December 2023	**1 January 2023**	**Credit-impaired**
Current (not past due)	1%	1%	No
1-90 days past due	1%	1%	No
90-180 days past due	30%	30%	No
More than 180 days past due	100%	100%	Yes

Fluctuations reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

(b) Trade and other receivables

	31 December	
	2023	**2022**
	USD million	**USD million**
Trade receivables from third parties	1,127	1,295
Trade receivables from related parties, including	45	50
Related parties – companies capable of exerting significant influence	*33*	*45*
Related parties – associates and joint ventures	*12*	*5*
Other receivables from third parties	192	235
Dividends receivable from related parties	412	–
Related parties – associates and joint ventures	*412*	–
	1,776	**1,580**
Impairment of receivables	(80)	(103)
	1,696	**1,477**

(i) Ageing analysis

Included in trade and other receivables are trade receivables (net of allowance for doubtful debts) with the following ageing analysis as of the statement of financial position dates:

Metals

	31 December	
	2023	**2022**
	USD million	**USD million**
Current	**804**	**842**
Past due 1-30 days	29	122
Past due 31-60 days	1	42
Past due 61-90 days	–	1
Past due over 90 days	65	31
Amounts past due	**95**	**196**
	899	**1,038**

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Power

	31 December	
	2023	**2022**
	USD million	**USD million**
Current	**175**	**197**
Past due 1-30 days	12	12
Past due 31-60 days	5	6
Past due 61-90 days	2	4
Past due 91-180 days	5	8
Past due over 180 days	1	1
Amounts past due	**25**	**31**
	200	**228**

Trade receivables are on average due within 60 days from the date of billing. The receivables that are neither past due nor impaired (i.e. current) relate to a wide range of customers for whom there was no recent history of default.

Further details of the Group's credit policy are set out in note 20(e).

(c) Prepayments and VAT recoverable

	31 December	
	2023	**2022**
	USD million	**USD million**
VAT recoverable	397	552
Advances paid to third parties	214	311
Advances paid to related parties, including	87	88
Related parties – associates and joint ventures	*87*	*88*
Other taxes receivable	30	18
Other current assets	27	7
	755	**976**
Impairment of prepayments and VAT recoverable	(135)	(156)
	620	**820**

(d) Trade and other payables

	31 December	
	2023	**2022**
	USD million	**USD million**
Accounts payable to third parties	867	1,047
Accounts payable to related parties, including	161	115
Related parties – companies capable of exerting significant influence	*7*	*6*
Related parties – associates and joint ventures	*154*	*109*
Other payables and accrued liabilities	288	326
Dividends payable	5	–
Income tax payable	48	199
	1,369	**1,687**

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

(e) Advances received

	31 December	
	2023	2022
	USD million	USD million
Advances received from third parties	339	296
Advances received from related parties, including	–	13
Related parties – associates and joint ventures	–	*13*
	339	**309**

Advances received represent contract liabilities to perform obligations under contracts with customers. Advances received are short-term and revenue in respect of the contract liabilities recognized as at the reporting date is fully recognized during next twelve months.

(f) Cash and cash equivalents

	31 December	
	2023	2022
	USD million	USD million
Bank balances, USD	166	120
Bank balances, RUB	617	1,544
Bank balances, EUR	163	81
Bank balances, CNY	792	112
Bank balances, other currencies	30	22
Cash in transit	–	17
Short-term bank deposits, USD	349	700
Short-term bank deposits, RUB	106	133
Short-term bank deposits, EUR	103	89
Short-term bank deposits, CNY	13	626
Other cash equivalents	6	30
Cash and cash equivalents in the consolidated statement of cash flows	**2,345**	**3,474**
Restricted cash	2	3
Cash and cash equivalents in the consolidated statement of financial position	**2,347**	**3,477**

(g) Other non-current assets

	31 December 2023	31 December 2022
	USD million	USD million
Long-term deposits	124	125
Prepayment for associate acquisition	13	–
Other non-current assets	166	186
	303	**311**

Prepayment for acquisition of associate relates to the UC RUSAL's arrangement to acquire 30% of share capital of the alumina plant, located in China. In October 2023 UC RUSAL entered into a share-purchase agreement to acquire the share in equity of Hebei Wenfeng New Materials Co., Ltd. All rights attached to the interest acquired will be transferred to UC RUSAL subject to fulfilment of certain conditions, which are expected to occur in 2024. The amount of prepayment comprises 5% of the estimated total consideration for 30% share in equity of Hebei Wenfeng New Materials Co., Ltd.

(h) Investments in equity securities measured at fair value through profit and loss

During the year 2023 Metals segment continued to acquire equity securities of RusHydro, 434,666,000 shares were bought for a total consideration of USD 5 million. As at 31 December 2023 the Group's nominal interest in RusHydro shares was 9.73%. Investment is treated as equity securities measured at fair value through profit and loss.

Fair value is estimated in accordance with Level 1 of the fair value hierarchy. The market value was determined by multiplying the quoted bid price per share on the Moscow Exchange on reporting date by the number of shares held by the Group.

16. Equity

(a) Share capital, additional paid-in capital and transactions with shareholders

As at 31 December 2023 the Parent Company's share capital is divided into 638,848,896 ordinary shares with a nominal value of USD 0.00007 each. The Parent Company may also issue 75,436,818.286 ordinary shares.

As at 31 December 2023 and 31 December 2022 all issued ordinary shares were fully paid.

Change in effective interest in subsidiaries

In 2023 the Group acquired part of the non-controlling interest in certain Group subsidiaries for the total consideration of USD 3 million.

In 2022, following consolidation of more than 95% of Irkutskenergo shares, the Group submitted a buyout notice. As at 31 December 2022 the effective and nominal interest in Irkutskenergo held by the Group is 100.00%. Total consideration paid to non-controlling shareholders during 2022 amounted to USD 14 million.

(b) Other reserves

Other reserves represents the cost of Parent Company's shares transferred by the Group to special financial organisation, the cumulative unrealised actuarial gains and losses on the Group's defined post-retirement benefit plans, the effective portion of the accumulated net change in fair value of cash flow hedges and the Group's share of other comprehensive income of associates.

As at 31 December 2022 the Group held 21.37% of its own shares. In 2023, these shares were sold from the Parent Company's indirect subsidiary to special financial organisation. Under IFRS due to specific provisions of the contracts disposed shares were not derecognised by the Group.

(c) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the consolidated financial statements of foreign subsidiaries, associates and joint ventures. The reserve is dealt with in accordance with the accounting policies set out in note 3(b).

(d) Dividends

During the years ended 31 December 2023 and 31 December 2022 the Parent Company did not declare and pay dividends.

In 2022 Metals segment declared dividends. In November 2022 dividends of USD 131 million were paid to Group's non-controlling shareholders.

The Parent Company may distribute dividends from retained earnings and profit for the reporting period in compliance with the current legislation of the Russian Federation and the provisions of its Charter.

(e) Revaluation reserve

The revaluation reserve comprises the cumulative net change in the fair value of hydro assets at the reporting date and is dealt with in accordance with the accounting policies set out in note 11(a)(i).

An independent valuation analysis of hydro assets was carried out as at 31 December 2022, the fair value of hydro assets was estimated at USD 4,166 million (note 11(e)). As a result of this fair value valuation, the Group recognised an additional revaluation reserve in the amount of USD 518 million net of tax.

(f) Non-controlling interests

SD million	UC RUSAL 2023	Other subsidiaries 2023	Total 2023	UC RUSAL 2022	Other subsidiaries 2022	Total 2022
Carrying amount of NCI	**4,541**	**119**	**4,660**	**5,098**	**154**	**5,252**
Profit/(loss) attributable to NCI	122	(2)	**120**	777	(14)	**763**
Other comprehensive (loss)/income attributable to NCI	(679)	(34)	**(713)**	127	7	**134**
Total comprehensive (loss)/income	**(557)**	**(36)**	**(593)**	**904**	**(7)**	**897**

The following table summarises the information relating to the UC RUSAL which has material non-controlling interest:

USD million	UC RUSAL 2023	UC RUSAL 2022
NCI percentage	**43.1%**	**43.1%**
Assets	20,980	24,147
Liabilities	(10,448)	(12,324)
Net assets	**10,532**	**11,823**
Carrying amount of NCI	4,541	5,098
Revenue	12,213	13,974
Profit	282	1,793
Other comprehensive (loss)/income	(1,575)	294
Total comprehensive (loss)/income	**(1,293)**	**2,087**
Profit attributable to NCI	122	777
Other comprehensive (loss)/income attributable to NCI	(679)	127
Cash flows from/(used in) operating activities	1,760	(412)
Cash flows (used in)/from investing activities	(1,030)	472
Cash flows (used in)/from financing activities	(1,747)	1,415
Net (decrease)/increase in cash and cash equivalents	**(1,017)**	**1,475**

17. Loans and borrowings

This note provides information about the contractual terms of the Group's loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk refer to notes 20(c)(ii) and 20(c)(iii), respectively.

	31 December 2023 USD million	31 December 2022 USD million
Non-current liabilities		
Secured bank loans	3,366	5,333
Unsecured bank loans	1,499	858
Bonds	3,612	3,511
	8,477	**9,702**

	31 December 2023 USD million	31 December 2022 USD million
Current liabilities		
Current portion of secured bank loans	957	928
Current portion of unsecured bank loans	8	9
	965	**937**
Secured bank loans	367	284
Unsecured bank loans	500	1,251
Accrued interest	140	78
Bonds	615	1,348
	1,622	**2,961**
	2,587	**3,898**

(a) Loans and borrowings

	31 December 2023 USD million	31 December 2022 USD million
Non-current liabilities		
Secured bank loans		
Variable		
RUB – CBR + 1.50%	1,235	2,105
RUB – CBR + 1.90%	–	254
RUB – CBR + 2.00%	280	331
RUB – CBR + 3.15%	148	137
USD – 3M Libor + 1.70%	–	25
USD – 3M Libor + 2.10%	–	359
USD – 3M Libor + 3.00%	–	2,100
Fixed		
CNY – fixed at 4.75%	1,662	–
RUB – fixed at 3.00%	41	22
	3,366	**5,333**
Unsecured bank loans		
Variable		
RUB – CBR + 1.80-1.85%%	155	13
RUB – CBR + 1.95%-2.25%	79	24
RUB – CBR + 3.00%	48	–
CNY – LPR1Y +1.60%	354	–
EUR – 6M Euribor + 0.45%-0.67%	28	34
Fixed		
RUB – fixed at 3.00%	11	10
CNY – fixed at 3.75%	774	777
CNY – fixed at 4.70%	50	–
	1,499	**858**
Bonds	3,612	3,511
	8,477	**9,702**
Current liabilities		
Current portion of secured bank loans		
Variable		
RUB – CBR + 1.50%	381	297
RUB – CBR + 2.00%	–	168
RUB – CBR + 3.15%	16	3
USD – 3M Libor + 2.10%	–	359
USD – 3M Libor + 1.70%	–	100
Fixed		
CNY – fixed at 4.75%	553	–
RUB – fixed at 3.00%	7	1
	957	**928**

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	31 December 2023 USD million	31 December 2022 USD million
Current portion of unsecured bank loans		
Variable		
EUR – 6M Euribor + 0.45-0.67%	7	6
Fixed		
RUB – other	1	3
	8	**9**
Secured bank loans		
Variable		
USD – Term SOFR + Spread + 2.10%	339	–
USD – Term SOFR + Spread + 1.70%	25	–
Fixed		
RUB – fixed at 3.00%	3	–
RUB – fixed at 11.00%	–	284
	367	**284**
Unsecured bank loans		
Variable		
RUB – CBR + 1.10%-1.35%	–	752
RUB – CBR + 1.50%-1.98%	69	62
RUB – CBR + 2.00%-2.50%	53	62
CNY – LPR1Y +2.75%	374	–
Fixed		
RUB – fixed at 18.75%	4	–
CNY – fixed at 4.20%	–	375
	500	**1,251**
Accrued interest	140	78
Bonds	615	1,348
	1,622	**2,961**
	2,587	**3,898**

The bank loans are secured as at 31 December 2023 and 31 December 2022 by the following:

- Rights, including all monies and claims, arising out of certain sales contracts between the Group's trading subsidiaries and its ultimate customers, were assigned to secure the syndicated Pre-Export Finance Term Facility Agreement (PXF) dated 28 January 2021;
- Properties, plant and equipment – refer to note 11(d);
- Inventories – refer to note 14;
- Shares of the Group companies as described below.

Metals

The nominal value of UC RUSAL's loans and borrowings was USD 4,447 million at 31 December 2023 (31 December 2022: USD 4,883 million).

As at 31 December 2023 and 31 December 2022 the secured bank loans are secured by certain pledges of shares of a number of UC RUSAL's subsidiaries and 25% +1 share of Norilsk Nickel (Group's associate).

Power

The nominal value of Power loans and borrowings was USD 2,371 million at 31 December 2023 (31 December 2022: USD 3,881 million).

As at 31 December 2023 and 31 December 2022 the secured bank loans are secured by certain pledges of shares of a number of Parent Company's subsidiaries, including LLC ESE–Hydrogeneration – 100% (2022: 100%), JSC Irkutskenergo – 77.42% (2022: 77.42%) and JSC EuroSibEnergo – 50% + 1 share (2022: 50% + 1 share). Additionally as at 31 December 2022 21.37% shares of the Parent Company and 100% shares of JSC Krasnoyarsk Hydro-Power Plant were pledged.

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(b) Bonds

As at 31 December 2023, the Group had outstanding (traded in the market) bonds denominated in RUB, CNY, United Arab Emirates Dirhams and eurobonds denominated in USD:

Metals

Type	Series	The number of bonds traded in the market	Nominal value, USD million	Nominal interest rate	Put-option date	Maturity date
Bond	BO-01	30,263	–	0.01%	–	07.04.2026
Bond	BO-001P-04	370,000	101	5.95%	–	05.09.2025
Eurobond	–	27,400	28	5.30%	–	03.05.2023
Eurobond	–	26,869	27	4.85%	–	01.02.2023
Bond	BO-05	2,000,000	280	3.90%	05.08.2024	28.07.2027
Bond	BO-06	2,000,000	280	3.90%	05.08.2024	28.07.2027
Bond	BO-001P-01	6,000,000	841	3.75%	–	24.04.2025
Bond	BO-001P-02	1,000,000	140	3.95%	–	23.12.2025
Bond	BO-001P-03	3,000,000	421	LPR1Y + 0.20%	–	24.12.2025
Bond	001PC-01	2,379,660	334	3.75%	–	07.03.2025
Bond	001PC-02	2,352,869	330	3.75%	–	07.03.2025
Bond	001PC-03	2,367,763	332	3.75%	–	07.03.2025
Bond	001PC-04	1,778,060	249	3.75%	–	07.03.2025
Bond	BO-001P-05	600,000	84	6.70%	–	08.05.2026

On 23 January 2023 the exchange-traded non-convertible interest-bearing RUB denominated bonds of RUSAL Bratsk series BO-001P-02 were fully repaid.

On 8 February 2023 pursuant to the Extraordinary resolution of the noteholders UC RUSAL redeemed the Eurobond with a coupon 4.85% to noteholders who hold Eurobond through National Settlement Depository ("NSD") and other Russian custodians being the NSD direct participants in the amount of USD 418 million. The redemption to noteholders who hold Eurobond through foreign clearing and settlement systems will be made in accordance with terms of the Extraordinary resolution of the noteholders.

On 16 May 2023 pursuant to the Extraordinary resolution of the noteholders UC RUSAL redeemed the Eurobond with a coupon 5.3% to noteholders who hold Eurobond through NSD and other Russian custodians being the NSD direct participants in the amount of USD 419 million. The redemption to noteholders who hold Eurobond through foreign clearing and settlement systems will be made in accordance with terms of the Extraordinary resolution of the noteholders.

On 6 June 2023 the exchange-traded non-convertible interest-bearing RUB denominated bonds of RUSAL Bratsk series BO-002P-01 were fully repaid.

On 8 September 2023 UC RUSAL placed on the Moscow Stock Exchange exchange-traded non-documentary interest-bearing non-convertible bonds series BO-001P-04 in the total amount of AED 370 million with a coupon – 5.95%. The maturity of the bonds is 2 years.

On 23 October 2023 the exchange-traded non-convertible interest-bearing RUB denominated bonds of RUSAL Bratsk series BO-001P-01 were fully repaid.

On 10 November 2023 the Company placed on the Moscow Stock Exchange exchange-traded non-documentary interest-bearing non-convertible bonds series BO-001P-05 in the total amount of CNY 600 million with a coupon – 6.70%. The maturity of the bonds is 2.5 years.

Power

Type	Series	The number of bonds traded in the market	Nominal value, USD million	Nominal interest rate	Put-option date	Maturity date
Bond	001PC-01	2,075,377	291	4.45%	–	22.12.2025
Bond	001PC-02	1,792,146	251	5.45%	–	27.03.2026
Bond	001PC-03	1,026,910	144	5.45%	–	22.05.2025
Bond	001PC-01	670,000	94	5.40%	–	06.05.2026

On 31 March 2023 the Power segment placed its second commercial non-convertible interest-bearing yuan bonds series 001PC-02 in the total amount CNY 1,792,146,000 with a coupon rate fixed at 5.45% p.a. Maturity of the bonds is March 2026.

On 10 May 2023 the Power segment placed the exchange-traded non-convertible interest-bearing yuan bonds series 001PC-01 in the total amount CNY 670,000,000 with a coupon rate fixed at 5.40% p.a. Maturity of the bonds is May 2026.

On 25 May 2023 the Power segment placed its third commercial non-convertible interest-bearing yuan bonds series 001PC-03 in the total amount CNY 1,026,910,000 with a coupon rate fixed at 5.45% p.a. Maturity of the bonds is May 2025.

As at 31 December 2023, the amount of accrued interest on bonds was USD 25 million (31 December 2022: USD 48 million).

Total foreign exchange gain on bonds for the year ended 31 December 2022 accounted in other comprehensive income as part of cash flow hedge result amounted to USD 96 million. In 2022 all existing cash-flow relationships were ended and none were started in 2023.

18. Provisions

(a) Accounting policy

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

(i) Site restoration

The mining, refining and smelting activities of the Group can give rise to obligations for site restoration and rehabilitation. Restoration and rehabilitation works can include facility decommissioning and dismantling, removal or treatment of waste materials, land rehabilitation, and site restoration. The extent of work required and the associated costs are dependent on the requirements of law and the interpretations of the relevant authorities.

Provisions for the cost of each restoration and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass obligated and reasonably estimable restoration and rehabilitation activities expected to occur progressively over the life of the operation and at the time of closure in connection with disturbances at the reporting date.

Routine operating costs that may impact the ultimate restoration and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

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Restoration and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Discount rates used are specific to the country in which the operation is located. Significant judgements and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements.

When provisions for restoration and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of restoration and rehabilitation activities is amortised over the estimated economic life of the operation on a units of production or straight-line basis. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognised as part of finance expenses.

Restoration and rehabilitation provisions are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the unamortised capitalised cost, in which case the capitalised cost is reduced to nil and the remaining adjustment is recognised in profit or loss. Changes to the capitalised cost result in an adjustment to future amortisation charges. Adjustments to the estimated amount and timing of future restoration and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved. Factors influencing those changes include revisions to estimated reserves, resources and lives of operations; developments in technology; regulatory requirements and environmental management strategies; changes in the estimated costs of anticipated activities, including the effects of inflation and movements in foreign exchange rates; and movements in general interest rates affecting the discount rate applied.

(ii) Legal claim

In the normal course of business, the Group may be involved in legal proceedings. Where management considers that it is more likely than not that proceedings will result in the Group compensating third parties, a provision is recognised for the best estimate of the amount expected to be paid. Where management considers that it is more likely than not that proceedings will not result in the Group compensating third parties or where, in rare circumstances, it is not considered possible to provide a sufficiently reliable estimate of the amount expected to be paid, no provision is made for any potential liability under the litigation but the circumstances and uncertainties involved are disclosed as contingent liabilities. The assessment of the likely outcome of legal proceedings and the amount of any potential liability involves significant judgement. As law and regulations in many of the countries in which the Group operates are continuing to evolve, particularly in the areas of taxation, sub-soil rights and protection of the environment, uncertainties regarding litigation and regulation are greater than those typically found in countries with more developed legal and regulatory frameworks.

(b) Disclosure

USD million	Pension liabilities	Site restoration	Provisions for legal claims	Total
Balance at 1 January 2022	**106**	**518**	**22**	**646**
Provisions made during the year	15	–	14	**29**
Provisions reversed during the year	–	–	(4)	**(4)**
Actuarial gain	(11)	–	–	**(11)**
Provisions used during the year	(8)	–	(6)	**(14)**
Effect of the passage of time	–	(1)	–	**(1)**
Change in estimates	–	(112)	–	**(112)**
Translation difference	(1)	(6)	–	**(7)**
Balance at 31 December 2022	**101**	**399**	**26**	**526**
Non-current	*93*	*287*	*–*	*380*
Current	*8*	*112*	*26*	*146*
Provisions made during the year	11	–	3	**14**
Provisions reversed during the year	(5)	–	–	**(5)**
Actuarial gain	(8)	–	–	**(8)**
Provisions used during the year	(6)	–	(11)	**(17)**
Effect of the passage of time	–	14	–	**14**
Change in estimates	–	(3)	–	**(3)**
Translation difference	(17)	(26)	(3)	**(46)**
Balance at 31 December 2023	**76**	**384**	**15**	**475**
Non-current	*69*	*282*	*–*	*351*
Current	*7*	*102*	*15*	*124*
	76	**384**	**15**	**475**

(c) Pension liabilities

As at 31 December 2023, the pension liability is represented by UC RUSAL of USD 47 million (31 December 2022: USD 60 million) and Power of USD 29 million (31 December 2022: USD 41 million).

The provision for pensions mainly comprises lump sum payments at retirement by aluminium plants located in Russia, and by electricity generating companies. The Group also provides pension benefits to eligible participants at facilities located outside of the Russian Federation.

Group subsidiaries in the Russian Federation

The Group voluntarily provides long-term and post-employment benefits to its former and existing employees including death-in-service, jubilee, lump sum upon retirement, material support for pensioners and death-in-pension benefits. Furthermore, the Group provides regular social support payments to some of its veterans of World War II.

The above employee benefit programs are of a defined benefit nature. The Group finances these programs on a pay-as-you-go basis, so plan assets are equal to zero.

Group subsidiaries outside the Russian Federation

At its Guinean entities the Group provides a death-in-service benefit and lump-sum benefits upon disability and old-age retirement.

At its Guyana subsidiary, the Group provides a death-in-service benefit.

At its Italian subsidiary (Eurallumina) the Group only provides lump sum benefits upon retirement, which relate to service up to 1 January 2007.

In Sweden (Kubikenborg Aluminium AB), the Group provides defined benefit lifelong and temporary pension benefits. The lifelong benefits are dependent on the past service and average salary level of the employee, with an accrual rate that depends on the salary bracket the employee is in. The liability relates only to benefits accrued before 1 January 2004.

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Actuarial valuation of pension liabilities

Metals

The key actuarial assumptions (weighted average, weighted by DBO) are as follows:

	31 December 2023 % per annum	31 December 2022 % per annum
Discount rate	11.4	9.5
Future salary increases	8.5	8.6
Future pension increases	1.7	5.0
Staff turnover	4.9	4.7
Mortality	USSR population table for 1985	USSR population table for 1985, Ukrainian population table for 2000
Disability	70% Munich Re for Russia	70% Munich Re for Russia; 40% of death probability for Ukraine

Power

The principal assumptions used in determining pension obligations for the pension plans are shown below:

	31 December 2023 % per annum	31 December 2022 % per annum
Discount rate	11.8	10.1
Future salary increases	7.0	6.2
Pension and inflation rate increases	5.5	4.7

As at 31 December 2023 and 31 December 2022 the Group's obligations were fully uncovered as the Group has only wholly unfunded plans.

(d) Site restoration and environmental provisions

The Group provides for site restoration obligations when there is a specific legal or constructive obligation for mine reclamation, landfill closure (primarily comprising red mud basin disposal sites) or specific lease restoration requirements. The Group does not record any obligations with respect to decommissioning of its refining or smelting facilities and restoration and rehabilitation of the surrounding areas unless there is a specific plan to discontinue operations at a facility. This is because any significant costs in connection with decommissioning of refining or smelting facilities and restoration and rehabilitation of the surrounding areas would be incurred no earlier than when the facility is closed and the facilities are currently expected to operate over a term in excess of 50-100 years due to the perpetual nature of the refineries and smelters and continuous maintenance and upgrade programs resulting in the carrying values of any such liabilities being negligible.

The site restoration provision relates primarily to mine reclamation and red mud basin disposal sites at alumina refineries and ash dumps removal at coal burning electricity and heat generation stations.

The principal assumptions used in determining site restoration provision are:

	31 December 2023	31 December 2022
Timing of cash outflows	2024: USD 102 million 2025-2029: USD 81 million 2030-2039: USD 116 million after 2039: USD 418 million	2023: USD 111 million 2024-2028: USD 46 million 2029-2038: USD 156 million after 2038: USD 456 million
Years required to fill the ash dumps	23.8	26.8
Discount rate for Coal CHPs CGU assets after adjusting for inflation	7.42%	6.71%
Risk free discount rate for UC RUSAL after adjusting for inflation	3.55%	3.63%

The risk free rate for the year 2022-2023 represents an effective rate, which comprises rates differentiated by years of obligation settlement and by currencies in which the provisions were calculated.

At each reporting date management have assessed the provisions for site restoration and concluded that the provisions and disclosures are adequate.

(e) Provisions for legal claims

The Group's subsidiaries are subject to a variety of lawsuits and claims in the ordinary course of its business. As at 31 December 2023, there were several claims filed against the Group's subsidiaries contesting breaches of contract terms and non-payment of existing obligations. Management has reviewed the circumstances and estimated that the amount of probable outflow related to these claims should not exceed USD 15 million (31 December 2022: USD 26 million).

At each reporting date management has assessed the provisions for litigation and claims and concluded that the provisions and disclosures are adequate.

19. Derivative financial assets and liabilities

Accounting policies

The Group enters, from time to time, into various derivative financial instruments to manage its exposure to commodity price risk, foreign currency risk and interest rate risk.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variation in cash flows that ultimately could affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value.

The measurement of fair value of derivative financial instruments, including embedded derivatives, is based on quoted market prices. Where no price information is available from a quoted market source, alternative market mechanisms or recent comparable transactions, fair value is estimated based on the Group's views on relevant future prices, net of valuation allowances to accommodate liquidity, modelling and other risks implicit in such estimates. Changes in the fair value therein are accounted for as described below.

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of a derivative is recognised in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

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Changes in the fair value of separated embedded derivatives and derivative financial instruments not designated for hedge accounting are recognised immediately in profit or loss.

Disclosures

	31 December 2023 USD million	31 December 2022 USD million
Forward contracts for aluminium and other instruments	32	168
	32	**168**
Non-current	13	90
Current	19	78

Derivative financial instruments are recorded at their fair value at each reporting date. Fair value is estimated in accordance with Level 3 of the fair value hierarchy based on management estimates and consensus economic forecasts of relevant future prices, net of valuation allowances to accommodate liquidity, modelling and other risks implicit in such estimates. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the date of the event or change in circumstances that caused the transfer. The movement in the balance of Level 3 fair value measurements of derivatives is as follows:

	31 December	
	2023 USD million	2022 USD million
Balance at the beginning of the year	**168**	**(64)**
Unrealised changes in fair value recognised in statement of profit or loss (finance expense) during the year	(99)	(191)
Unrealised changes in fair value recognised in other comprehensive income (cash flow hedge) during the year	–	(131)
Realised portion of electricity, coke and raw material contracts and cross currency swap	(37)	554
Balance at the end of the year	**32**	**168**

During the year 2023 there have been no changes in valuation techniques used to calculate the derivative financial instruments compared to prior year.

Management believes that the values assigned to the key assumptions and estimates represented the most realistic assessment of future trends. The results for the derivative instruments are not particularly sensitive to any factors other than the assumptions disclosed above.

UC RUSAL sells products to various third parties at prices that are influenced by changes in London Metal Exchange aluminium prices and Shanghai Futures Exchange (SHFE) aluminium prices. From time to time UC RUSAL enters into forward sales and purchase contracts for a portion of its anticipated primary aluminium sales and purchases to reduce the risk of prices fluctuations on these sales and purchases. The results are accounted for as profit or loss from derivative financial instruments, and do not adjust with revenue or purchases.

During the year ended 31 December 2023 the Group recognised a total net loss of USD 99 million in relation to the above contracts (31 December 2022: USD 191 million). Unrealised changes in fair value recognised in other comprehensive income (cash flow hedge) during 2022 were fully attributable to cross currency swaps (note 17(b)).

20. Financial risk management and fair values

(a) Fair values

The methods used to estimate the fair values of the financial instruments are as follows:

Trade and other receivables, short-term investments, cash and cash equivalents, current loans and borrowings and trade and other payables: the carrying amounts approximate fair value because of the short maturity period of the instruments.

Investments in equity securities: measured at fair value through profit and loss, so, its carrying amount is equal its fair value.

Long-term loans and borrowings, other non-current liabilities: the fair values of Eurobonds, RUSAL Bratsk bonds, UC RUSAL bonds and Power bonds issued are approximate their carrying value. The fair value of the loans and borrowings with fixed and floating interest rate as at 31 December 2023 and 31 December 2022 was calculated based on the present value of future principal and interest cash flows, using discount interest rate that take into account the currency of the debt, expected maturity dates and credit risks associated with the Group that existed at the reporting date.

Derivatives: the fair value of derivative financial instruments, including embedded derivatives, is based on quoted market prices. Where no price information is available from a quoted market source, alternative market mechanisms or recent comparable transactions, fair value is estimated based on the Group's views on relevant future prices, net of valuation allowances to accommodate liquidity, modelling and other risks implicit in such estimates. The derivative financial instruments are recorded at their fair value at each reporting date.

The following table presents the fair value of Group's financial instruments measured at the end of the reporting period on a recurring basis, as well as for instruments for which fair value is disclosed, categorised into the three-level fair value hierarchy as defined by IFRS 13, *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: fair value measured using significant unobservable inputs.

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As at 31 December 2023

		Carrying amount				Fair value			
	Note	Derivatives USD million	Loans and receivables USD million	Other financial assets/ (liabilities) USD million	Total USD million	Level 1 USD million	Level 2 USD million	Level 3 USD million	Total USD million
Financial assets measured at fair value									
Forward contracts for aluminium and other instruments	19	32	–	–	**32**	–	–	32	**32**
Investments in equity securities measured at fair value through profit and loss	15	–	–	340	**340**	340	–	–	**340**
		32	**–**	**340**	**372**	**340**	**–**	**32**	**372**
Financial assets not measured at fair value*									
Trade and other receivables	15	–	1,732	–	**1,732**	–	1,732	–	**1,732**
Short-term investments		–	97	–	**97**	–	97	–	**97**
Cash and cash equivalents	15	–	2,347	–	**2,347**	–	2,347	–	**2,347**
		–	**4,176**	**–**	**4,176**	**–**	**4,176**	**–**	**4,176**
Financial liabilities not measured at fair value*									
Loans and borrowings	17	–	–	(6,812)	**(6,812)**	–	(6,697)	–	**(6,697)**
Unsecured bond issue	17	–	–	(4,252)	**(4,252)**	(1,698)	(2,450)	–	**(4,148)**
Trade and other payables	15	–	–	(1,321)	**(1,321)**	–	(1,321)	–	**(1,321)**
		–	**–**	**(12,385)**	**(12,385)**	**(1,698)**	**(10,468)**	**–**	**(12,166)**

* The Group considers that the carrying amounts of short-term trade receivables and payables are a reasonable approximation of fair values.

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As at 31 December 2022

		Carrying amount				Fair value			
	Note	Derivatives USD million	Loans and receivables USD million	Other financial assets/ (liabilities) USD million	Total USD million	Level 1 USD million	Level 2 USD million	Level 3 USD million	Total USD million
Financial assets measured at fair value									
Forward contracts for aluminium and other instruments	19	168	–	–	**168**	–	–	168	**168**
Investments in equity securities measured at fair value through profit and loss	15	–	–	459	**459**	459	–	–	**459**
		168		**459**	**627**	**459**	**–**	**168**	**627**
Financial assets not measured at fair value*									
Trade and other receivables	15(b)	–	1,492	–	**1,492**	–	1,492	–	**1,492**
Short-term investments		–	50	–	**50**	–	50	–	**50**
Cash and cash equivalents	15	–	3,477	–	**3,477**	–	3,477	–	**3,477**
		–	**5,019**	**–**	**5,019**	**–**	**5,019**	**–**	**5,019**
Financial liabilities not measured at fair value*									
Loans and borrowings	17	–	–	(8,696)	**(8,696)**	–	(8,809)	–	**(8,809)**
Unsecured bond issue	17	–	–	(4,904)	**(4,904)**	(1,935)	(2,907)	–	**(4,842)**
Trade and other payables	15	–	–	(1,488)	**(1,488)**	–	(1,488)	–	**(1,488)**
		–	**–**	**(15,088)**	**(15,088)**	**(1,935)**	**(13,204)**	**–**	**(15,139)**

* The Group considers that the carrying amounts of short-term trade receivables and payables are a reasonable approximation of fair values.

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(b) Financial risk management objectives and policies

The Group's principal financial instruments comprise bank loans, bonds and trade payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

(i) Tariffs and commodity price risk

The tariffs for electricity, heat and transmission services applied by the Group's significant subsidiaries are currently partially determined by government bodies. The Group cannot directly influence or mitigate the risks in relation to the change in tariffs.

During the years ended 31 December 2023 and 31 December 2022, UC RUSAL has entered into certain commodity derivatives contracts in order to manage its exposure of commodity price risks.

(ii) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates (note 17). The Group's policy is to manage its interest costs by monitoring changes in interest rates with respect to its borrowings.

The following table details the interest rate profile of the Group's and the Company's borrowings at the reporting date.

	31 December 2023		31 December 2022	
	Effective interest rate %	USD million	Effective interest rate %	USD million
Fixed rate loans and borrowings				
Loans and bonds (note 17(a))	0.01%-18.75%	6,909	0.01%-11.0%	5,904
		6,909		**5,904**
Variable rate loans and borrowings				
Loans and bonds (note 17(a))	3.65%-18.40%	4,015	2.86%-10.0%	7,618
		4,015		**7,618**
		10,924		**13,522**

The following table demonstrates the sensitivity to cash flows from interest rate risk arising from floating rate non-derivative instruments held by the Group at the reporting date in respect of a reasonably possible change in interest rates, with all other variables held constant. The impact on the Group's profit before taxation and equity and retained profits / accumulated losses is estimated as an annualized input on interest expense or income of such a change in interest rates. The analysis has been performed on the same basis for all years presented.

	Increase/ decrease in basis points	Effect on profit before taxation for the year USD million	Effect on equity for the year USD million
As at 31 December 2023			
Basis percentage points	+100	(40)	(32)
Basis percentage points	-100	40	32
As at 31 December 2022			
Basis percentage points	+100	(76)	(61)
Basis percentage points	-100	76	61

(iii) *Foreign currency risk*

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of group entities, primarily USD but also the RUB and EUR. The currencies in which these transactions primarily are denominated are RUB, USD and EUR.

Borrowings are primarily denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily USD but also RUB, EUR and CNY. This provides an economic hedge.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances or entering into currency swap arrangements.

The Group's exposure at the reporting date to foreign currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate is set out in the table below. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are ignored.

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	USD-denominated vs. RUB functional currency 31 December		RUB-denominated vs. USD functional currency 31 December		EUR-denominated vs. USD functional currency 31 December		CNY-denominated vs. USD functional currency 31 December		CNY-denominated vs. RUR functional currency 31 December		Denominated in other currencies vs. USD functional currency 31 December	
USD million	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Non-current assets	–	–	57	86	19	21	13	–	–	–	–	–
Trade and other receivables	50	–	296	296	168	217	4	–	1	–	20	48
Cash and cash equivalents	1	–	465	1,378	253	148	712	666	1	2	30	18
Loans and borrowings	–	–	(193)	(684)	(22)	–	(3,768)	(1,152)	–	–	–	–
Non-current liabilities	–	–	(51)	(46)	(2)	(3)	–	–	–	–	(1)	(2)
Bonds	–	–	(1)	(405)	–	–	(3,292)	(3,218)	(780)	(292)	(101)	–
Trade and other payables	(1)	(1)	(364)	(372)	(53)	(94)	(36)	–	–	–	(62)	(58)
Net exposure arising from recognised assets and liabilities	**50**	**(1)**	**209**	**253**	**363**	**289**	**(6,367)**	**(3,704)**	**(778)**	**(290)**	**(114)**	**6**

(iv) Foreign currency sensitivity analysis

The following tables indicate the change in the Group's profit before taxation (and accumulated losses) and other comprehensive income that could arise if foreign exchange rates to which the Group has significant exposure at the reporting date had changed at that date, assuming all other risk variables remained constant.

	Year ended 31 December 2023		
	Change in exchange rates	USD million Effect on profit before taxation for the year	USD million Effect on equity for the year
Depreciation of USD vs. RUB	15%	24	24
Depreciation of USD vs. EUR	10%	36	36
Depreciation of USD vs. CNY	5%	(318)	(318)
Depreciation of USD vs. other currencies	5%	(6)	(6)
Depreciation of CNY vs. RUB	15%	(117)	(93)

	Year ended 31 December 2022		
	Change in exchange rates	USD million Effect on profit before taxation for the year	USD million Effect on equity for the year
Depreciation of USD vs. RUB	15%	38	38
Depreciation of USD vs. EUR	10%	29	29
Depreciation of USD vs. CNY	5%	(185)	(185)
Depreciation of USD vs. other currencies	5%	–	–
Depreciation of CNY vs. RUB	15%	(44)	(35)

Results of the analysis as presented in the above tables represent an aggregation of the effects on the Group entities' profit before taxation and other comprehensive income measured in the respective functional currencies, translated into USD at the exchange rates ruling at the reporting date for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the reporting date. The analysis excludes differences that would result from the translation of financial statements of foreign operations into the Group's presentation currency. The analysis has been performed on the same basis for all years presented.

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its operating and financial commitments.

The following tables show the remaining contractual maturities at the reporting date of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payment computed using contractual rates, or if floating, based on rates current at the reporting date) and the earliest the Group can be required to pay:

	31 December 2023 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	USD million	USD million	USD million	USD million	USD million	USD million
Trade and other payables to third parties	1,156	4	–	–	**1,160**	1,160
Trade and other payables to related parties	161	–	–	–	**161**	161
Bonds	768	3,280	437	–	**4,485**	4,227
Loans and borrowings, including interest payable	2,424	2,962	3,337	360	**9,083**	6,837
Other contractual obligations	36	58	–	–	**94**	–
	4,545	**6,304**	**3,774**	**360**	**14,983**	**12,385**

	31 December 2022 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	USD million	USD million	USD million	USD million	USD million	USD million
Trade and other payables to third parties	1,372	1	–	–	**1,373**	1,373
Trade and other payables to related parties	115	–	–	–	**115**	115
Bonds	1,156	698	3,014	–	**4,868**	4,859
Loans and borrowings, including interest payable	2,928	1,465	5,942	271	**10,606**	8,741
Other contractual obligations	40	79	–	–	**119**	–
	5,611	**2,243**	**8,956**	**271**	**17,081**	**15,088**

At 31 December 2023 and 31 December 2022 the Group's contractual undertaking to provide loans under the loan agreement between Metals segment, PJSC RusHydro and BoAZ is included at maximum exposure for the Group in the liquidity risk disclosure above.

(e) Credit risk

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The majority of the Group's third party trade receivables represent balances with the world's leading international corporations operating in the metals industry. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to credit loss is not significant. Goods are normally sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables. The details of impairment of trade and other receivables are disclosed in note 15. Cash balances are held with high credit quality financial institutions. The extent of the Group's credit exposure is represented by the aggregate balance of financial assets and financial guarantees and loan commitments given.

At 31 December 2023 and 31 December 2022, the Group has no concentration of credit risk within any single largest customer but 9.3% and 27.0% of the total trade receivables were due from the Group's five largest customers.

(f) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding non-controlling interests. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year.

The Parent Company and its subsidiaries were subject to externally imposed capital requirements in the both years presented in these consolidated financial statements.

(g) Master netting or similar agreements

The Group may enter into sales and purchase agreements with the same counterparty in the normal course of business. The related amounts receivable and payable do not always meet the criteria for offsetting in the statement of financial position.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

	Year ended 31 December 2023	
	USD million	USD million
	Trade receivables	Trade payables
Gross amounts	111	(107)
Net amounts presented in the statement of financial position	**111**	**(107)**
Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria	(37)	37
Net amount	**74**	**(70)**

	Year ended 31 December 2022	
	USD million	USD million
	Trade receivables	Trade payables
Gross amounts	95	(112)
Net amounts presented in the statement of financial position	**95**	**(112)**
Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria	(47)	47
Net amount	**48**	**(65)**

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21. Commitments

(a) Capital commitments

The Group had outstanding capital commitments which had been contracted for at 31 December 2023 and 31 December 2022 in the amount of USD 944 million and USD 787 million, including VAT, respectively. These commitments are due over a number of years.

(b) Purchase commitments

Commitments with third parties for purchases of alumina, bauxite, other raw materials and other purchases in 2024-2034 under supply agreements are estimated from USD 3,552 million to USD 4,480 million at 31 December 2023 (31 December 2022: USD 3,450 million to USD 5,169) depending on the actual purchase volumes and applicable prices.

Commitments with related parties for purchases of primary aluminium, alloys and other purchases in 2024-2030 under supply agreements are estimated from USD 4,469 million to USD 6,029 million at 31 December 2023 (31 December 2022: USD 4,824 million to USD 7,283 million) depending on the actual purchase volumes and applicable prices.

(c) Sale commitments

Commitments with third parties for sales of alumina and other raw materials in 2024-2034 are estimated from USD 560 million to USD 691 million at 31 December 2023 (31 December 2022: from USD 852 million to USD 1,275 million) and will be settled at market prices at the date of delivery. There are no commitments with related parties for sales of alumina as at 31 December 2023 and 31 December 2022.

Commitments with related parties for sales of primary aluminium and alloys in 2023 are estimated from USD 215 million to USD 262 million at 31 December 2023 (31 December 2022: from USD 149 million to USD 182 million). Commitments with third parties for sales of primary aluminium and alloys in 2024-2028 are estimated to range from USD 5,269 million to USD 5,901 million at 31 December 2023 (31 December 2022: from USD 5,505 million to USD 8,386 million).

(d) Social commitments

The Group contributes to the maintenance and upkeep of the local infrastructure and the welfare of its employees, including contributions toward the development and maintenance of housing, hospitals, transport services, recreation and other social needs of the regions of the Russian Federation where the Group's production entities are located. The funding of such assistance is periodically determined by management and is appropriately capitalised or expensed as incurred.

22. Contingencies

(a) Taxation

Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activities of the Group may be challenged by the relevant local, regional and federal authorities. Recent developments in the Russian environment suggest that the authorities in this country are becoming more active in seeking to enforce, through the Russian court system, interpretations of the tax legislation, in particular in relation to the use of certain commercial trading structures, which may be selective for particular tax payers and different from the authorities' previous interpretations or practices. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation.

In addition to the amounts of income tax the Group has provided, there are certain tax positions taken by the Group where it is reasonably possible (though less than 50% likely) that additional tax may be payable upon examination by the tax authorities or in connection with ongoing disputes with tax authorities. The Group's best estimate of the aggregate maximum of additional amounts that it is reasonably possible (though less than 50% likely) may become payable if these tax positions were not sustained at 31 December 2023 is USD 22 million (31 December 2022: USD 61 million).

(b) Environmental contingencies

The Group and its predecessor entities have operated in the Russian Federation, Jamaica, Guyana, the Republic of Guinea and the European Union for many years and certain environmental problems have developed. Governmental authorities are continually considering environmental regulations and their enforcement and the Group periodically evaluates its obligations related thereto. As obligations are determined, they are recognised immediately. The outcome of environmental liabilities under proposed or any future legislation, or as a result of stricter enforcement of existing legislation, cannot reasonably be estimated. Under current levels of enforcement of existing legislation, management believes there are no possible liabilities, which will have a material adverse effect on the financial position or the operating results of the Group. However, the Group anticipates undertaking significant capital projects to improve its future environmental performance.

(c) Legal contingencies

The Group's business activities expose it to a variety of lawsuits and claims which are monitored, assessed and contested on an ongoing basis. Where management believes that a lawsuit or another claim would result in the outflow of the economic benefits for the Group, a best estimate of such outflow is included in provisions in the consolidated financial statements (note 18(e)). As at 31 December 2023, the amount of claims, where management assesses outflow as possible approximates USD 25 million (31 December 2022: USD 33 million).

(d) Other contingent liabilities

In September 2013, UC RUSAL and PJSC RusHydro entered into an agreement with BoAZ to provide loans, if the latter is unable to fulfil its obligations under its credit facilities. The aggregate exposure under the agreement is limited to RUB 16.8 billion (31 December 2023 and 31 December 2022: USD 188 million and USD 239 million, respectively) and is split between the Group and PJSC RusHydro in equal proportion. Based on management's estimates, the arising financial guarantees related to this arrangement are not significant to the consolidated financial statements.

23. Related party transactions

(a) Accounting policy

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) Has control or joint control over the Group;

(ii) Has significant influence over the Group; or

(iii) Is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

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(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(b) Transactions with related parties

The Group transacts with related parties, the majority of which are capable of exerting significant influence on the Metals segment, associates and joint ventures and other related parties.

Sales to related parties for the year are disclosed in note 5, receivables from and payables to related parties are disclosed in note 15.

Purchases of raw materials and services from related parties for the period were as follows:

	Year ended 31 December	
	2023	2022
	USD million	USD million
Purchase of raw materials	**(711)**	**(988)**
Companies capable of exerting significant influence	(50)	(30)
Associates and joint ventures	(661)	(958)
Energy costs	**(93)**	**(104)**
Companies capable of exerting significant influence	(45)	(48)
Associates and joint ventures	(48)	(56)
Other services	**–**	**(30)**
Associates and joint ventures	–	(30)
	(804)	**(1,122)**

(c) Related parties balances

At 31 December 2023, included in non-current liabilities are balances of related parties – associates and joint ventures of USD 17 million (31 December 2022: USD 16 million).

(d) Remuneration to key management

For the year ended 31 December 2023 remuneration to key management personnel comprised short-term benefits and amounted to USD 22 million from which Board members received USD 10 million (year ended 31 December 2022: USD 18 million from which Board members received USD 6 million).

24. Events subsequent to the reporting date

On 7 February 2024 UC RUSAL placed on the Moscow Stock Exchange exchange-traded non-documentary interest-bearing non-convertible bonds series BO-001P-06 in the total amount of CNY 1.000 million with a coupon – 7.20%. The maturity of the bonds is 2.5 years.

25. Accounting estimates and judgements

The Group has identified the following critical accounting policies under which significant judgements, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results of the financial position reported in future periods.

Property, plant and equipment – recoverable amount

In accordance with the Group's accounting policy, each asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss is recognised to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, and is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal.

Value in use is also generally determined as the present value of the estimated future cash flows, but only those expected to arise from the continued use of the asset in its present form and its eventual disposal. Present values are determined using a risk-adjusted pre-tax discount rate appropriate to the risks inherent in the asset. Future cash flow estimates are based on expected production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves (refer "Reserve estimates" below), operating costs, restoration and rehabilitation costs and future capital expenditure. This policy requires management to make these estimates and assumptions which are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be impaired and the impairment would be charged against the profit or loss.

Property, plant and equipment – hydro assets – fair value

In accordance with the Group's accounting policy, hydro assets are carried at a revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The valuation analysis is primarily based on the cost approach to determine depreciated replacement cost. This method considers the cost to reproduce or replace the property, plant and equipment, adjusted for physical depreciation, functional and economic obsolescence.

This policy requires management to make estimates and assumptions regarding both costs, as there is no active market for used assets of that type, and macroeconomic indicators to assess economic obsolescence which are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these estimates, which may impact the fair value of hydro assets. In such circumstances, the fair value of hydro assets may be lower with any consequential decrease in revaluation reserve recognised through other comprehensive income.

Inventories – net realisable value

The Group recognises write-downs of inventories based on an assessment of the net realisable value of the inventories. A write-down is applied to the inventories where events or changes in circumstances indicate that the net realisable value is less than cost. The determination of net realisable value requires the use of judgement and estimates. Where the expectation is different from the original estimates, such a difference will impact the carrying value of the inventories and the write-down of inventories charged to the profit or loss in the periods in which such estimate has been changed.

Investments in associates and joint ventures – recoverable amount

In accordance with the Group's accounting policies, each investment in an associate or joint venture is evaluated every reporting period to determine whether there are any indications of impairment after application of the equity method of accounting. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an investment in an associate or joint venture is measured at the higher of fair value less costs to sell and value in use.

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Similar considerations to those described above in respect of assessing the recoverable amount of property, plant and equipment apply to investments in associates or joint ventures. In addition to the considerations described above the Group may also assess the estimated future cash flows expected to arise from dividends to be received from the investment, if such information is available and considered reliable.

Legal proceedings

In the normal course of business, the Group may be involved in legal proceedings. Where management considers that it more likely than not that proceedings will result in the Group compensating third parties a provision is recognised for the best estimate of the amount expected to be paid. Where management considers that it is more likely than not that proceedings will not result in the Group compensating third parties or where, in rare circumstances, it is not considered possible to provide a sufficiently reliable estimate of the amount expected to be paid, no provision is made for any potential liability under the litigation but the circumstances and uncertainties involved are disclosed as contingent liabilities.

The assessment of the likely outcome of legal proceedings and the amount of any potential liability involves significant judgement. As law and regulations in many of the countries in which the Group operates are continuing to evolve, particularly in the areas of taxation, sub-soil rights and protection of the environment, uncertainties regarding litigation and regulation are greater than those typically found in countries with more developed legal and regulatory frameworks.

Provision for restoration and rehabilitation

The Group's accounting policy requires the recognition of provisions for the restoration and rehabilitation of each site when a legal or constructive obligation exists to dismantle the assets and restore the site. The provision recognised represents management's best estimate of the present value of the future costs required. Significant estimates and assumptions are made in determining the amount of restoration and rehabilitation provisions. Those estimates and assumptions deal with uncertainties such as: changes to the relevant legal and regulatory framework; the magnitude of possible contamination and the timing, extent and costs of required restoration and rehabilitation activity. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for operating sites are recognised in the statement of financial position by adjusting both the restoration and rehabilitation asset and provision. Such changes give rise to a change in future depreciation and interest charges. For closed sites, changes to estimated costs are recognised immediately in profit or loss.

Taxation

The Group's accounting policy for taxation requires management's judgement in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from carried forward tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences related to investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and is not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, restoration and rehabilitation costs, capital expenditure, dividends and other capital management transactions. Assumptions are also required about the application of income tax legislation. These estimates and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to profit or loss.

The Group generally provides for current tax based on positions taken (or expected to be taken) in its tax returns. Where it is more likely than not that upon examination by the tax authorities of the positions taken by the Group additional tax will be payable, the Group provides for its best estimate of the amount expected to be paid (including any interest and/or penalties) as part of the tax charge.

Reserve estimates

Reserves are estimates of the amount of product that can be economically and legally extracted from the Group's properties. In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

The Group determines ore reserves under the Australasian Code for Reporting of Mineral Resources and Ore Reserves September 1999, known as the JORC Code. The JORC Code requires the use of reasonable investment assumptions to calculate reserves.

Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies or fields to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

Since economic assumptions used to estimate reserves change from period to period, and since additional geological data is generated during the course of operations, estimates of reserves may change from period to period.

Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated future cash flows;
- Depletion charged in profit or loss may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change;
- Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.

Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be impaired.

Development expenditure

Development activities commence after project sanctioning by the appropriate level of management. Judgement is applied by management in determining when a project has reached a stage at which economically recoverable reserves exist such that development may be sanctioned. In exercising this judgement, management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having commenced the development activity, a judgement is made that a development asset is impaired, the appropriate amount will be written off to profit or loss.

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Defined benefit retirement and other post retirement schemes

For defined benefit pension schemes, the cost of benefits charged to the profit or loss includes current and past service costs, interest costs on defined benefit obligations and the effect of any curtailments or settlements, net of expected returns on plan assets. An asset or liability is consequently recognised in the statement of financial position based on the present value of defined obligations, less any unrecognised past service costs and the fair value of plan assets.

The accounting policy requires management to make judgements as to the nature of benefits provided by each scheme and thereby determine the classification of each scheme. For defined benefit pension schemes, management is required to make annual estimates and assumptions about future returns on classes of scheme assets, future remuneration changes, employee attrition rates, administration costs, changes in benefits, inflation rates, exchange rates, life expectancy and expected remaining periods of service of employees. In making these estimates and assumptions, management considers advice provided by external advisers, such as actuaries. Where actual experience differs to these estimates, actuarial gains and losses are recognised directly in the statement of profit or loss and other comprehensive income.

Impairment of assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other asset groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately and, therefore, is not tested for impairment separately. Instead, the entire amount of the investment is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

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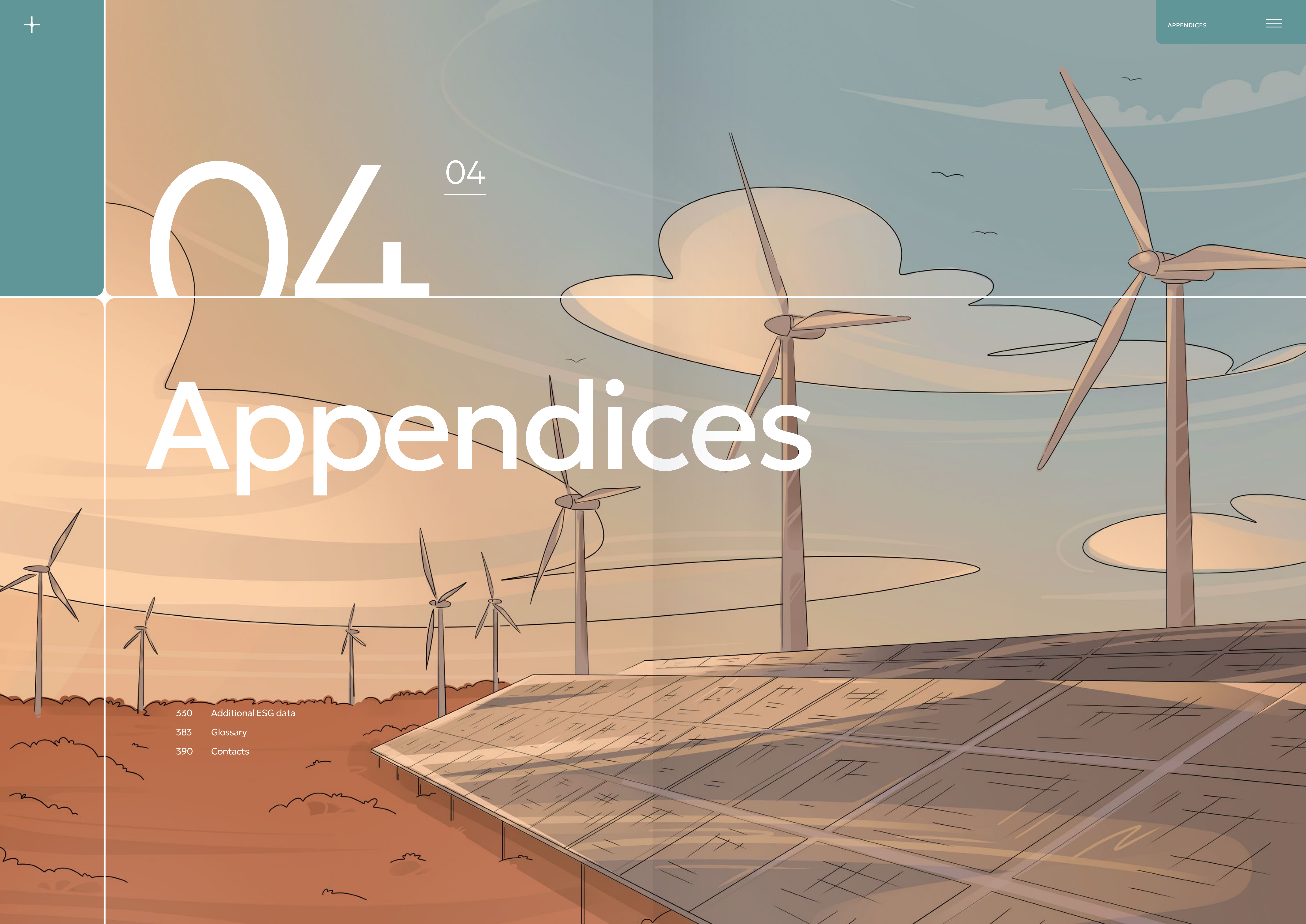
26. Significant subsidiaries

The significant entities of the Group, included in these consolidated financial statements, are as follows:

Name	Place of incorporation and operation	Principal activities	Ownership and equity interest 31 December 2023	2022
UC RUSAL				
IPJSC United Company RUSAL	Russian Federation	Holding company	56.9%	56.9%
Compagnie Des Bauxites De Kindia S.A.	Guinea	Bauxite mining	100.0%	100.0%
Friguia SA	Guinea	Alumina	100.0%	100.0%
JSC RUSAL Achinsk	Russian Federation	Alumina	100.0%	100.0%
JSC RUSAL Boxitogorsk Alumina	Russian Federation	Alumina	100.0%	100.0%
Eurallumina SpA	Italy	Alumina	100.0%	100.0%
PJSC RUSAL Bratsk	Russian Federation	Smelting	100.0%	100.0%
JSC RUSAL Krasnoyarsk	Russian Federation	Smelting	100.0%	100.0%
JSC RUSAL Novokuznetsk	Russian Federation	Smelting	100.0%	100.0%
JSC RUSAL Sayanogorsk	Russian Federation	Smelting	100.0%	100.0%
LLC RUSAL RESAL	Russian Federation	Processing	100.0%	100.0%
JSC RUSAL SAYANAL	Russian Federation	Foil	100.0%	100.0%
CJSC RUSAL ARMENAL	Armenia	Foil	100.0%	100.0%
LLC RUS-Engineering	Russian Federation	Repairs and maintenance	100.0%	100.0%
JSC Russian Aluminium	Russian Federation	Holding company	100.0%	100.0%
Rusal Global Management B.V.	Netherlands	Management company	100.0%	100.0%
JSC United Company RUSAL Trading House	Russian Federation	Trading	100.0%	100.0%
RS International GmbH	Switzerland	Trading	100.0%	100.0%
Rusal Marketing GmbH	Switzerland	Trading	100.0%	100.0%
RTI Limited	Jersey	Trading	100.0%	100.0%
Alumina & Bauxite Company Limited	British Virgin Islands	Trading	100.0%	100.0%
JSC Bauxite-Timana	Russian Federation	Bauxite mining	100.0%	100.0%
JSC Severo-Uralsky Bauxite Mine	Russian Federation	Bauxite mining	100.0%	100.0%
JSC RUSAL URAL	Russian Federation	Primary aluminium and alumina production	100.0%	100.0%
LLC SUAL-PM	Russian Federation	Aluminium powders production	100.0%	100.0%
JSC Kremniy	Russian Federation	Silicon production	100.0%	100.0%
LLC RUSAL-Kremniy-Ural	Russian Federation	Silicon production	100.0%	100.0%
UC RUSAL Alumina Jamaica Limited	Jamaica	Alumina	100.0%	100.0%
Kubikenborg Aluminium AB	Sweden	Smelting	100.0%	100.0%
RFCL Limited (formerly RFCL S.ar.l)	Cyprus	Finance services	100.0%	100.0%
ILLC AKTIVIUM	Russian Federation	Holding and investment company	100.0%	100.0%
Aughinish Alumina Ltd	Ireland	Alumina	100.0%	100.0%
LLC RUSAL Energo	Russian Federation	Electric power	100.0%	100.0%
Limerick Alumina Refining Ltd.	Ireland	Alumina	100.0%	100.0%
JSC RUSAL Management	Russian Federation	Management company	100.0%	100.0%
LLC RUSAL Taishet	Russian Federation	Smelting	100.0%	100.0%
LLC UC RUSAL Anode Plant	Russian Federation	Anodes	100.0%	100.0%
RUSAL Products GmbH	Switzerland	Trading	100.0%	100.0%
Casting and mechanical plant “SKAD” Ltd.	Russian Federation	Other aluminum production	75.0%	75.0%
LLC PGLZ	Russian Federation	Alumina	99.9%	99.9%
Power				
ILLC EN+ HOLDING	Russian Federation	Holding company	100.0%	100.0%
JSC EuroSibEnergo	Russian Federation	Power generation / Management company	100.0%	100.0%
JSC Krasnoyarsk Hydro-Power Plant (merged with JSC EuroSibEnergo)	Russian Federation	Power generation	0.0%	100.0%
LLC MAREM +	Russian Federation	Power trading	100.0%	100.0%
JSC Irkutskenergo	Russian Federation	Power generation	100.0%	100.0%
LLC EuroSibEnergo – Hydrogeneration	Russian Federation	Power generation	100.0%	100.0%
LLC Avtozavodskaya TEC	Russian Federation	Power generation	100.0%	100.0%
LLC EuroSibEnergo-engineering	Russian Federation	Engineering services	100.0%	100.0%
LLC Kompaniya VostSibUgol	Russian Federation	Coal production	100.0%	100.0%
LLC Razrez Cheremkhovugol	Russian Federation	Coal production	100.0%	100.0%

The nominal ownerships indicated in the table above are the effective holdings, except for UC RUSAL shareholdings where 56.88% is held by the Parent Company.



04

04 Appendices

Additional ESG data

Financial review

GRI 201-1 **Direct economic value generated and distributed, USD mn**[1]

	Metals segment			Power segment			En+		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Direct economic value generated	13,844	15,608	13,033	3,155	3,919	3,612	15,993	18,217	15,493
Revenues	11,994	13,974	12,213	3,138	3,885	3,587	14,126	16,549	14,648
Share of profits of associates and joint ventures	1,807	1,555	752	(5)	(2)	-	1,802	1,553,	752
Interest income on loans	43	79	68	22	36	25	65	115	93
Economic value distributed	(10,496)	(13,626)	(11,385)	(2,444)	(3,480)	(2,616)	(12,080)	(15,645)	(13,123)
Operating costs	(9,502)	(12,251)	(10,602)	(1,705)	(2,467)	(1,846)	(10,340)	(13,427)	(11,557)
including employee wages	(723)	(938)	(750)	(447)	(609)	(527)	(1,170)	(1,547)	(1,277)
Retirement costs	(196)	(248)	(206)	(80)	(103)	(83)	(276)	(351)	(289)
Community investments	(45)	(34)	(33)	(10)	(19)	(5)	(55)	(53)	(38)
Payments to providers of capital	(364)	(727)	(367)	(338)	(560)	(368)	(709)	(1,117)	(748)
including dividends paid	-	(302)	-	-	-	-	-	(129)	-
including financial expenses	(364)	(425)	(367)	(338)	(560)	(368)	(709)	(988)	(748)
Payments to government	(389)	(366)	(177)	(311)	(331)	(314)	(700)	(697)	(491)
including income tax[2]	(339)	(310)	(132)	(230)	(243)	(238)	(569)	(553)	(370)
Economic value retained: 'direct economic value generated' less 'economic value distributed'	3,348	1,982	1,648	711	439	996	3,913	2,572	2,370

GRI 201-4 **Financial assistance received from government, mn**

	2021		2022		2023	
	RUB	USD	RUB	USD	RUB	USD
Metals segment	0	0	0	0	0	0
Power segment	378	5	1,023	15	2,974	35
En+	378	5	1,023	15	2,974	35

Economic indicators, RUB mn

	Metals segment			Power segment			En+		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Revenue	883,407	957,909	1,041,117	231,127	266,314	305,780	1,040,438	1,134,424	1,248,692
Value added	361,715	306,142	251,307	138,938	148,872	177,079	494,319	443,086	434,353
Net value added	274,067	219,632	150,716	97,002	100,288	123,096	364,735	307,992	279,779
Labor productivity	5	4	3	3	3	4	4	4	4
Amount of assessed payments	81,925	106,136	86,955	14,952	17,069	18,499	96,877	123,205	105,464
Amount of mandatory payments paid	81,925	106,136	86,955	15,627	15,848	19,622	97,552	121,984	106,577
Sustainable investments	13,241	17,176	19,504	7,131	9,028	6,953	20,372	26,204	26,457
Investments in projects related to achieving technological sovereignty and structural adaptation of the Russian economy	773	340	0	569	826	1,624	1,343	1,110	1,624

[1] Hereinafter, calculated on the basis of the average exchange rate of the US dollar to the ruble for 2021 of 73.65 rubles for 1 US dollar, for 2022 of 86.55 rubles for 1 US dollar, for 2023 of 85.25 rubles for 1 US dollar.
[2] Excluding deferred income tax and its effect on the reporting period.

Sustainability management

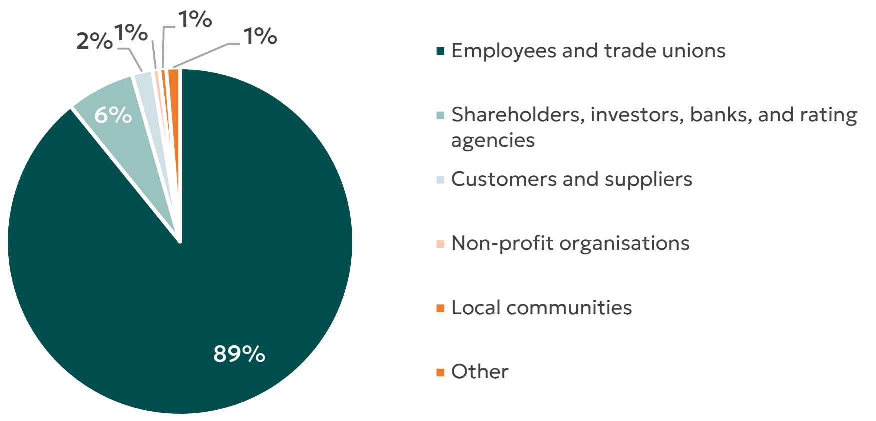
Management body	Functions
Power segment	
Board of Directors of En+	• Approval of general corporate sustainability policies and general sustainability management principles and control over their implementation; • Strategic management of sustainable development; • Consideration of issues and identification of material topics related to the environmental impact, social policy, and corporate governance of the Company; • Approval of the Company's sustainability reporting.
Health, Safety, and Environment Committee of En+	• Participation in the formulation of sustainable development strategies and policies and identification of the relevant objectives; • Preparation of recommendations related to sustainable development for the Board of Directors; • Control over the Company's compliance with international sustainability standards and legislation; • Assessment of the Group's sustainability performance.
General Director of En+	• General management of sustainable development; • Improvement of the business model based on sustainability principles; • Identification and implementation of measures to improve the Company's long-term competitiveness in line with global sustainable development trends.
Sustainable Development Directorate of En+	• Development of strategic sustainability documents for the Company and the Group and plans to implement them; • Development of constructive relationships with the Group's stakeholders; • Integration of the criterion of compliance with the UN sustainable development goals, international best practices, and national development goals into the Group's decision-making system; • Improvement of the Company's performance in accordance with generally accepted sustainability methodologies; • Identification of the most significant environmental and social risks, organisation of the development of measures and/or initiation of projects to prevent, eliminate, and minimise impacts; • Organisation of accession to leading associations and/or initiation of new ones to develop a joint SDG implementation plan; • Positioning of the Company as a leader in sustainable development among industry sectors.
Environment Department	• Arrangement of work to identify and assess environmental risks; • Initiation and organisation of the Company's environmental strategic initiatives and projects Control over their implementation and achieved results.
Climate Risk Department	• Support for implementation of the Company's climate strategy; • Identification and assessment of climate risks; • Development of climate risk management measures; • Control over the implementation of measures to eliminate or minimise climate risks.
Department of Sustainable Development Projects	• Management of biodiversity conservation and green office projects, including project initiation and monitoring; • Participation in the development of sustainability training programmes for the Group's employees.
Functional units and divisions of enterprises	• Participation in the development and implementation of ESG initiatives as part of their primary production activities.
Metals segment	
Board of Directors of the Metals segment	• Approval of the sustainability strategy and goals; • Control over the achievement of goals and objectives to solve sustainable development issues; • Identification and assessment of climate-related risks and opportunities for the Company; • Quarterly and annual analysis of the risk profile and achieved results; • Supervision over the implementation of corporate ESG policies and determination of the need for and feasibility of certain changes.
Health, Safety, and Environment Committee of the Metals segment	• Control over compliance with the environmental policy, the occupational safety and environmental and climate risk management policy; • Assessment of the implementation of occupational health and safety programmes, including across the supply chain; • Control over the achievement of the Company's environmental and occupational safety goals; • Assessment of compliance with regulatory requirements and assumed obligations.

Management body	Functions
Corporate Governance and Nominations Committee of the Metals segment	• Preparation of recommendations related to corporate governance, annual review of corporate governance principles, policies, and procedures of the Company and its subsidiaries; • Regulation of corporate governance issues, control over training and continuous professional development of directors and senior management; • Control over the Company's compliance with the requirements of the Russian Corporate Governance Code and the Corporate Governance Code of the Hong Kong Stock Exchange; • Preparation of recommendations about candidates for the Board of Directors.
General Director of the Metals segment	• Implementation of the sustainability strategy; • Control over the implementation of the climate policy formulated by the Board of Directors; • Evaluation of the progress in achieving strategic goals, analysis of the achievement of goals; • Initiation and monitoring of key projects to reduce greenhouse gas emissions; • Preparation of recommendations to the Board of Directors concerning climate-related issues.
Public Expert Council on Sustainability	• Organisation of effective interaction with a wide range of external stakeholders at the federal, regional, and local levels.
Sustainability Directorate	• Control over the implementation of the Sustainability Strategy across the Company's divisions, including its provisions related to environmental responsibility.
Functional units and divisions of enterprises	• Participation in the development and implementation of ESG initiatives as part of their primary production activities.

Materiality assessment and Stakeholder engagement

GRI 2-25, 3-1 In 2023, En+ analysed its activities to identify the actual and potential impacts on the economy, environment and people, including impacts on their human rights. This information was used to compile a list of impacts for stakeholder assessment. This section provides detailed information about the stakeholder groups that participated in the materiality survey and their expressed expectations.

Overview of stakeholder groups involved in the survey, %



ADDITIONAL ESG DATA

GRI 2-25 **List of expectations expressed by stakeholders**

Stakeholders expectations	En+ response
Allocation of responsibility for sustainable development management between En+ and Metals segment	See the allocation of responsibility for sustainable development management between En+ and Metals segment structure on p. 76-77
More detailed disclosure on product quality issues and quality assurance, including by segment	Read about product quality management on p. 226-229
More detailed information on energy consumption and energy efficiency, information about the strategy and management system in this area, key activities in each segment	Read about energy management, including the strategy on p. 100-101
Disclosure of the results of surveys of residents of the regions of presence, conducted to determine their real needs and expectations, as well as information on the use of these results by the Company in the process of planning charitable activities	Read about the results of the Sustainable Cities Index research and their use in the social investments planning on p. 154-155
Expanded analysis of the Company's contribution to the implementation of national projects, more detailed coverage of activities within the framework of the Clean Air federal project, implemented projects and achieved results	Read about the Company's contribution to achieving the Russian national goals on p. 82-85
Disclosure of following indicators: • Labour productivity • share of purchases from small and medium-sized businesses; • costs of personnel training; • breakdown of personnel by category	See the labour productivity on p. 330 See the share of purchases from small and medium-sized businesses in 2023 on p. 224 See the costs of personnel training on p. 358 See the breakdown of personnel by category on p. 353-354
Comparison of average wages at individual enterprises of the Company with wage levels in the corresponding regions	See the information on the standard entry-level wage rate for employees and the established minimum wage in the regions of presence by segment on p. 357
Description of Company's goals to increase consumption or production of low-carbon energy	Read about increasing renewable energy production at HPPs and low-carbon energy use on p. 101
Disclosure of Company's approach to verifying suppliers' compliance with established requirements to create a responsible supply chain, including requirements for environmental protection, labour protection and industrial safety, social responsibility	Read about supplier audit and verification on p. 223
Health and Safety KPIs for managers	Read about Health and Safety KPIs for managers on p. 136
Activities based on feedback received on the hotline and their results	Read about actions based on the results of checking grievances and requests made via Signal hotline on p. 212
Disclosure of information on Board or Directors and personnel training	Read about Board or Directors training on p. 182-183 Read about personnel training on p. 144
Employment of pensioners and people of pre-retirement age	See the number of employed people of retirement age on p. 355

Value creation model

KEY PRODUCTION PROCESS

GRI 2-6, 3-3, 203-2

	BAUXITE MINING	ALUMINA REFINING	ENERGY AND HEAT PRODUCTION: Energy and heat production (CHP)	ENERGY AND HEAT PRODUCTION: Energy production (HPP)	ALUMINIUM PRODUCTION	FOR THE GROUP
Key input	• Bauxite reserves • Land surface • Water	• Bauxite • Caustic Soda • Calcine • Water • Fuel	• Land surface • Coal • Water	• Water • Land surface	• Alumina • Energy • Aluminium scrap • Water • Fuel	• Labour • Production and distribution infrastructure • Financial resources • Governance system • Royalties
Key output	• Bauxite • Rehabilitated land • Waste	• Alumina • Air emissions • GHG emissions • Waste	• Energy and heat • Air emissions • Rehabilitated land	• Energy • Noise • Water level fluctuations and flood protection	• Aluminium and its products • Air emissions • GHG emissions • Waste • Wastewater	• Financial results • Taxes • Payments to suppliers • Salaries and social benefits for employees • Skilled employees • Social investments • Affordable energy and heat for consumers
Key effect	• Biodiversity impact • Effect on the landscape	• Contribution to climate change • Biodiversity impact	• Effect on the landscape • Biodiversity impact	• Biodiversity impact	• Contribution to climate change • Biodiversity impact • Potential reduction of water reserves and water pollution	• Value for shareholders • National and local economic development • Employment stability • Regional development • Professional development of employees • Product development • Innovation development

MEASURES TO MITIGATE EFFECT

- Climate change strategy
- Modernisation of equipment
- Engagement with local communities
- Environmental monitoring
- The biodiversity conservation programme
- Collaboration with scientific community
- Transparency in sustainability indicators through the disclosure of annual reporting

ADDITIONAL ESG DATA

Climate change

GRI 305-1 **GHG emissions of the Power segment by substance**

	2021		2022		2023	
	total	%	total	%	total	%
Methane (CH_4)	4,896.03	0.02	5,460.74	0.02	16,918.40	0.07
Nitrous oxide (N_2O)	86,003.36	0.37	96,100.24	0.38	44,188.33	0.18
Hydrofluorocarbons (HFCs)		-		-	-	-
Perfluorocarbons (PFCs)	107.88	0.00	120.09	0.00	104.83	0.00
Sulphur hexafluoride (SF6)	939.63	0.00	1,586.09	0.01	1,269.44	0.01
CO_2	22,918,368.78	99.60	25,029,081.80	99.59	24,922,967.16	99.74
Total for Scope 1,2 and 3	**23,010,315.68**		**25,132,348.96**		**26,443,629.6**	

GRI 305-4 **Specific GHG emissions**

	Power segment			Metals segment			En+		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Specific GHG emissions per revenue, t CO_2e/USD mn	7,332.80	6,469.07	7,372.07	3,243	2,903	3,232	4,382.12	3,970.56	4,172.10
Specific GHG emissions per revenue, t CO_2e/RUB mn	99.56	94.37	86.48	38.04	34.05	37.91	53.28	48.27	48.94
Specific GHG emissions per generated electricity and heat, mt CO_2e/bn kWh	0.19	0.22	0.23	-	-	-	0.19	0.22	0.23

GRI 201-2 **Physical risks**

Risk category	Physical risk	Risk factor	Scenario	Region of exposure	Impact over the time horizon: Short-term 2024	Medium-term 2024–2025	Long-term 2025–2050	Probability*
Acute	Underflooding of quarries	extreme precipitation	🟢	Komi Republic	○	○	●	Low
				Republic of Guinea	○	○	●	Medium
			🔵	Komi Republic	○	○	●	Low
				Republic of Guinea	○	○	●	High
			🟠	Republic of Guinea	○	○	●	High
				Komi Republic	○	○	●	Low
Acute	Infrastructure disruption	extreme precipitation	🟢	Krasnoyarsk Territory	○	○	●	Low
			🔵	Republic of Guinea	○	○	●	Low
				Nizhny Novgorod Region				
				Irkutsk Region				
			🟠	Republic of Guinea	○	○	●	Low
				Nizhny Novgorod Region				
				Irkutsk Region				
				Krasnoyarsk Territory	○	○	●	Medium
Acute	Supply disruptions	extreme precipitation	🟢	Armenia	○	○	●	Low
			🔵		○	○	●	Low
			🟠		○	○	●	Low
		strong wind	🟢	Jamaica	○	○	●	Low
			🔵		○	○	●	Low
			🟠		○	○	●	Low
Acute	Reduced productivity	extreme heat	🟢	Krasnoyarsk Territory	○	○	●	Medium
				Republic of Guinea				
			🔵	Krasnoyarsk Territory	○	○	●	Medium
				Republic of Guinea	○	○	●	High
			🟠	Krasnoyarsk Territory	○	○	●	Medium
				Republic of Guinea	○	○	●	High
Acute	Equipment damage/loss	extreme cold	🟢	Irkutsk Region	○	○	●	Low
					○	○	●	Low
			🟠		○	○	●	Low
Chronic	Halt in production	extreme precipitation deficit	🟢	Irkutsk Region	○	○	●	Low
			🔵		○	○	●	Low
			🟠		○	○	●	Low
Acute	Damage to production facilities	extreme precipitation	🟢	Irkutsk Region	○	○	●	Low
			🔵		○	○	●	Medium
			🟠		○	○	●	Low
Acute	Collapse of the main building roof	extreme snowfall	🟢	Irkutsk Region	○	○	●	Low
			🔵		○	○	●	Low
			🟠		○	○	●	Low

SSP126 - 🟢
SSP245 - 🔵
SSP585 - 🟠
○ – insignificant impact,
● – significant impact (based on a quantitative risk assessment)
* – Based on the quantitative risk assessment scale: low (less than 20%), medium (20–60%), high (60–100%) probability

Transition risks

Risk category	Risk	Risk factor	Scenario	Exposed assets: Metals segment	Exposed assets: Power segment	Impact over the time horizon: Short-term 2022	Medium-term 2022–2025	Long-term 2025–2050	Probability within the scenario analysis*
Policy and legal	Expenses to purchase offsets	Introduction of a national carbon price and development of a regional GHG emissions inventory	🟢	Applicable to En+		○	●	●	High
			🔵			○	●	●	Medium
			🟠						Low
						○	●	●	
	Expenses related to the introduction of CBAM	Introduction of CBAM	🟢			○	○	●	High
			🔵			○	○	●	High
			🟠			○	○	●	High
			🟢			○	○	●	Medium

ADDITIONAL ESG DATA

Risk category	Risk	Risk factor	Scenario	Exposed assets: Metals segment	Exposed assets: Power segment	Impact over the time horizon: Short-term 2022	Impact over the time horizon: Medium-term 2022–2025	Impact over the time horizon: Long-term 2025–2050	Probability within the scenario analysis*
	Expenses to take measures to adapt to and minimise climate change impacts	Approval of the national action plan for adaptation to climate change	• (blue)			○	○	●	High
			• (orange)			○	○	●	High
	Reduced demand for green electricity due to the introduction of CBAM	Introduction of CBAM	• (green)		+	○	○	●	High
			• (blue)		+	○	●	●	Medium
			• (orange)		+	○	●	●	Low
Technology	Expenses to switch to energy-efficient and energy-saving solutions in production processes	High carbon intensity of production processes	• (green)	Applicable to En+		○	●	●	High
			• (blue)			○	●	●	Medium
			• (orange)			○	●	●	Low
	Reduced demand for the Company's products in European markets	Reorientation of aluminium exports to Asian markets	• (green)	+		●	●	●	High
			• (blue)	+		●	●	●	Medium
			• (orange)	+		●	●	●	Low
	Reduced or no public investment in GHG emissions reduction	Limitation of investment in hydropower facilities	• (green)		+	○	●	●	Medium
			• (blue)		+	○	●	●	Medium
			• (orange)		+	○	●	●	Low
	Failure to achieve the declared performance of hydroelectric unit impellers under the New Energy programme	Implementation of the New Energy programme	• (green)		+	●	●	●	Low
			• (blue)		+	●	●	●	Low
			• (orange)		+	●	●	●	Low
	More carbon-intensive production through the use of SF6 insulated switchgear	Replacement of switchgear	• (green)		+	○	○	●	Low
			• (blue)		+	○	○	●	Low
			• (orange)		+	○	○	●	Low
Reputation	Reduced investment appeal of the Company	Negative perception of the Company by investors, independent shareholders, local communities	• (green)	Applicable to En+		○	○	●	High
			• (blue)			○	○	●	Medium
			• (orange)			○	○	●	Low
	Sludge spillage entailing costs to recover from the accident and pay the fine	Overflow of sludge at sludge disposal sites	• (green)	+		●	●	●	High
			• (blue)	+		●	●	●	Medium
				+		●	●	●	Medium
Market	Reduced product margins and competitiveness due to a high carbon footprint	Lower demand for high-carbon generation	• (green)	Applicable to En+		○	●	●	High
			• (blue)			○	●	●	Medium
			• (orange)			○	●	●	Low
	Lower demand for coal products	Transition to low-carbon economic development	• (green)		+	○	●	●	High
			• (blue)		+	○	●	●	Medium
					+	○	●	●	Low

ADDITIONAL ESG DATA

SSP126 - • (green)
SSP245 - • (blue)
SSP585 - • (orange)

○ – insignificant impact,

● – significant impact (based on a quantitative risk assessment)

* – Based on the quantitative risk assessment scale: low (less than 20%), medium (20–60%), high (60–100%) probability

Energy management

GRI 302-4 **Reduction of energy consumption in the Power segment, GJ**

	2021	2022	2023
Reduction of energy consumption	8,365,779.225	3,126,243.31	5,948,299.47

GRI EU2 **Net energy output of the Power segment, GJ**[3]

	2021	2022	2023
Electricity	316,499,624	292,766,726[3]	296,643,840
Heat	119,772,801	116,429,914	115,001,675

GRI EU2 **Net energy output of the Power segment by source**

		Electricity, GWh			Heat, Gcal		
		2021	2022	2023	2021	2022	2023
Non-renewable	Coal	8,798	10,984	12,370	23,501	23,169	23,185
	Natural gas	1,694	1,512	1,406	5,253	4,771	4,269
	Petroleum products	13	16	16	27	28	27
	Nuclear power	0	0	0	0	0	0
Renewable	Biomass	0	0	0	12	11	5
	Solar power	6	6	6	0	0	0
	Wind power	0	0	0	0	0	0
	Geothermal	0	0	0	0	0	0
	Hydropower	77,408	68,816	68,602	0	0	0

GRI EU1 **Installed capacity with breakdown by primary energy sources and regulation mode, MWh**

		Электричество			Тепловая энергия		
		2021	2022	2023	2021	2022	2023
Non-renewable	Coal	3,783.3	3,783.3	3 786,2	14,137.3	14,031.7	13,362.9
	Natural gas	513.9	514.9	491,4	3,691.0	3,695.7	3,026.9
Renewable	Solar power	5.2	5.2	5,2	0.0	0.0	0.0
	Hydropower	15,099.0	15,125.7	15,152.5	0.0	0.0	0.0

[3] The value has been adjusted due to the recalculation of indicators for LLC "BEK" and LLC "ESE-Kuban".

ADDITIONAL ESG DATA

GRI 302-1 b, EU Taxonomy, SASB EM-MM 130 a.1, SASB IF-EU-000.E **Energy consumption, GJ**[4]

	2021	2022	2023
Energy consumption from non-renewable sources by fuel type	**466,046,656**	**477,450,850**	**476,176,024**
• Natural gas	156,742,661	141,029,714	126,473,984
• Heavy oil	27,110,413	24,082,306	23,623,279
• Coal	275,023,875	305,076,445	318,484,246
• Petrol	260,035	191,771	165,271
• Kerosene	6,313	5,936	6,113
• Propane and butane	456,379	482,090	496,043
• Diesel fuel	5,947,975	5,877,301	6,218,333
• Coke	499,004	705,286	708,755
Energy consumption from renewable sources by fuel type	**797,722**	**1,414,746**	**1,983,684**
• Charcoal	456,002	954,284	1,135,481
• Waste wood	175,910	339,822	786,527
• Bark waste	165,810	120,640	61,676
Consumption of energy purchased or obtained by any means other than self-generation from non-renewable and renewable fuels	**251,429,586**	**253,156,436**	**255,632,013**
• Electricity consumption	246,716,543	248,164,413	251,335,545
• Heating consumption	4,713,043	4,992,024	4,296,468
Energy losses during transportation	**25,412,555**	**27,436,758**	**28,455,989**
• Electricity losses	12,383,899	14,501,417	15,230,520
• Heating losses	13,028,656	12,935,341	13,225,469
Energy sales	**436,566,105**	**409,462,962**	**409,160,593**
• Electricity sales	316,499,624	292,766,726	296,515,079
• Heating sales	120,066,481	116,696,237	112,645,514
Total energy consumption within the organisation	**307,120,414**	**349,995,828**	**353,087,117**

Specific energy consumption indicators

	Power segment			Metals segment			En+		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Energy intensity ratio per electricity and heat generation, GJ/MWh	2.1	2.5	2.7	-	-	-	2.1	2.5	2.7
Energy intensity ratio per tonne of aluminium, GJ/t	-	-	-	127.2	119.0	117.4	127.2	119.0	117.4
Energy intensity ratio per revenue, GJ/RUB mn	1,099.3	1,047.0	949.9	278.3	258.4	240.5	690.4	645.3	587.6
Energy intensity ratio per revenue, GJ/USD mn	80,964.8	71,774.9	80,974.0	38,703.2	32,430.0	36,300.5	50,847.7	44,233.6	50,095.0
Energy consumption per unit of net value added	2,619.2	2,780.4	2,359.6	897.0	1,127.2	1,661.0	1,969.3	2,376.8	2,622.8

[4] Data for 2021-2022 was changed due to clarification of coefficients.

ADDITIONAL ESG DATA

Denominator used to calculate intensity metrics

Power segment			Metals segment		
Amount of electricity and heat generation, bn kWh			Volume of aluminium produced, kt		
2021	2022	2023	2021	2022	2023
123,574	116,375	117,375	3,764	3,835	3,848

Use of non-renewable energy, %

		Power segment			Metals segment			En+		
	Unit	2021	2022	2023	2021	2022	2023	2021	2022	2023
Percentage of non-renewable energy consumption	%	97.74	97.95	98.16	52.03	53.91	56.00	99.83	99.70	99.59
Percentage of renewable energy consumption	%	0.07	0.04	0.02	47.97	46.09	44.00	0.17	0.30	0.41
Percentage of supplied energy from non-renewable sources	%	11.95	15.37	16.71	-	-	-	11.95	15.37	16.71
Percentage of supplied energy from renewable sources	%	88.05	84.63	83.29	-	-	-	88.05	84.63	83.29
Percentage of renewable and low-carbon generating facilities in the installed capacity of generating facilities	%	77	78	78	-	-	-	77	78	78

SASB IF-EU-240a.1 **Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers, RUB/kWh**[5]

	2021	2022	2023
Residential	0.93	0.98	1.08
Commercial	2.99	3.14	3.47
Industrial	2.85	2.98	3.28

SASB IF-EU-240a.2 **Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month, RUB**[6]

	2021	2022	2023
500 kWh	564.08	596.15	616.85
1,000 kWh	1,125.43	1,189.69	1,229.24

SASB IF-EU-240a.3 **Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days**[7]

	2021	2022	2023
Number of residential customer electric disconnections for non-payment	81,823	90,774	73,577
Percentage reconnected within 30 days, %	0.5	0.7	0.3

SASB IF-EU-420a.2 **Percentage of electric load served by smart grid technology,**[8] **%**

2021	2022	2023
49	52	51

SASB of IF-EU-550a.2 **System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), and Customer Average Interruption Duration Index (CAIDI)**

	2021	2022	2023
SAIDI	87.27	66.57	60.54
SAIFI	0.66	0.48	0.50
CAIDI	133.26	137.3	120.43

[5] The average USD/RUB exchange rate was RUB 73.65 per USD in 2021, RUB 68.55 per USD in 2022, RUB 85.25 per USD in 2023.
[6] The average USD/RUB exchange rate was RUB 73.65 per USD in 2021, RUB 68.55 per USD in 2022, RUB 85.25 per USD in 2023.
[7] The data is given for Volgaenergo Group of Companies only.
[8] According to the U.S. Energy Independence and Security Act of 2007, smart grid technologies of the Power segment include smart measurement technologies which provide customers with timely information and control options.

ADDITIONAL ESG DATA

Environmental protection

Total environmental protection costs, mn

	2021						2022						2023					
	Metals segment		Power segment		En+		Metals segment		Power segment		En+		Metals segment		Power segment		En+	
	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB
PCB management	0.2	14.7	0.0	0.0	0.2	14.73	0.2	10.4	0.0	0.0	0.2	10.4	0.01	0.85	0.0	0.0	0.01	0.85
Other environmental protection costs	1.8	132.6	0.7	51.5	2.9	213.6	3.2	216.4	1.5	104.6	4.7	321.0	1.2	102.3	0.4	36.5	1.6	138.8
Waste management	50.6	3 726.6	0.7	51.5	51.3	3 778.2	89.4	6 131.2	1.4	94.8	90.8	6 226	40.6	3461.0	1.5	127.9	42.1	3588.9
Environmental equipment maintenance	3.9	287.2	3.6	246.7	7.4	545	3.9	265.3	6.3	431.6	10.2	696.9	4.3	366.6	0.0	0.0	4.3	366.6
Land rehabilitation	1.3	95.7	0.6	44.1	1.9	139.9	1.0	68.4	0.9	63.4	1.9	131.8	4.7	400.7	0.6	54.6	5.3	455.3
Water protection	10.5	773.3	7.7	567.1	18.2	1 340.4	5.0	339.6	10.7	732.9	15.7	1 072.5	5.0	426.2	13.1	1116.3	18.1	1 542.5
Atmospheric air protection	69.6	5 126.0	3.1	228.3	73.0	5 376.4	114.0	7 813.9	5.5	337.6	119.5	8 151.5	116.6	9939.8	13.7	1169.4	130.3	11 109.2
Preventing climate change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.002	0.1	0.002	0.1
Protection of the environment from noise, vibration and other types of physical impact	-	-	0.03	2.2	0.03	2.2	-	-	-	-	-	-	-	-	0.02	2.3	0.02	2.3
Conservation of biodiversity and protection of natural areas	-	-	0.009	0.8	0.009	0.8	-	-	-	-	-	-	4.5-	383.6	0.1052	8.9	4.6	392.5
Ensuring radiation safety of the environment	-	-	0.0004	0.03	0.0004	0.03	-	-	-	-	-	-	-	-	0.005	0.4	0.005	0.4
Research and development activities to reduce negative anthropogenic impacts on the environment	-	-	0.3	22.6	0.3	22.6	-	-	-	-	-	-	-	-	0.2	17.1	0.2	17.1
Total	**137.9**	**10 156.1**	**16.7**	**1 214.8**	**155.2**	**11 433.9**	**216.7**	**14 845.2**	**26.3**	**1 764.9**	**243.0**	**16 610.1**	**177.3**	**15114.2**	**29.7**	**2537.7**	**207**	**17,647.7**

ADDITIONAL ESG DATA

Percentage of funds used to implement environmental projects, %

	Power segment			Metals segment			En+		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Percentage of net profit used to implement environmental projects	4.6	6.8	10.4	4.3	12.1	62.9	4.4	13.1	28.9

Total payments for the negative environmental impact, mn[9]

	2021						2022						2023					
	Metals segment		Power segment		En+		Metals segment		Power segment		En+		Metals segment		Power segment		En+	
	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB
Payments for the negative environmental impact (NEI)	11.87	874.2	0.9	66.3	12.77	913.4	12.5	854.5	1.5	98.3	14.0	952.8	11.4	974.93	1.1	93.78	12.5	1,065.5

GRI 2-27 Non-compliance with environmental laws and regulations

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Total number of significant instances of non-compliance with environmental laws and regulations	0	0	0	0	0	0	0	0	0
Total number of instances for which non-monetary sanctions were incurred	0	0	0	0	0	0	0	0	0
Total number of cases initiated to resolve disputes related to non-compliance with environmental laws and regulations	0	0	0	0	0	0	0	0	0

Air quality

GRI 305-7, SASB EM-MM-120a.1 Emissions of the Metals segment,[10] kt

Pollutant	2021	2022	2023
Carbon monoxide (CO)	245.3	245.4	248.0
Particulate matter (PM) (excl. Fsolid, tarry substances, benzo(a)pyrene (B(a)P))	35.9	36.1	40.4
Sulphur dioxide (SO_2)	45.2	44.3	42.3
Sum of nitric oxides as nitrogen dioxide (NO_2)	22.7	19.9	22.9
Total fluoride (gaseous and solid fluoride)	6.0	5.5	5.2
Other emissions[11]	10.0	10.5	9.4
Volatile organic compounds (VOCs)	1.2	0.9	1.2
Benzo(a)pyrene	0.0038	0.0036	0.0033
Mercury (Hg)	0.00	0.00	0.00
Lead (Pb)	0.00	0.00	0.00
Total	**366.3**	**362.6**	**371.7**

GRI 305-7 Emissions of the Power segment, kt

Pollutant	2021	2022	2023
Nitrogen oxides (NOx)	45.7	52.1	50.5
Sulphur oxides (SOx)	160.5	172.3	188.1
Persistent organic pollutants (POPs)	0.0	0.0	0.0
Volatile organic compounds (VOCs)	0.4	0.3	0.4

[9] Calculated on the basis of the USD/RUB average exchange rate of RUB 73.65 per USD for 2021, RUB 68.55 per USD for 2022.
[10] The data for the Friguia Bauxite and Alumina Complex, that may be material for consolidated indicators, is excluded due to the lack of metering systems and relevant requirements in national legislation.
[11] This category includes all pollutants specified by Russian legislation, with the exception of CO and pollutants already presented in this table.

ADDITIONAL ESG DATA

	2021	2022	2023
Particulate matter (PM) (excl. Fsolid, B(a)P, Pb, Hg)	58.3	67.3	74.9
Other standard categories of air emissions identified in relevant regulations[12]	9.3	7.5	6.0
Total	**274.4**	**299.6**	**319.9**

SASB IF-EU-120a.1 **Percentage of air emissions of the Power segment in or near areas of dense population, %**

Pollutant	2021	2022	2023
Nitrogen oxides (NO_x)	93.2	95.3	94.9
Sulphur oxides (SO_x)	97.8	98.4	98.5
Particulate matter (PM)	87.8	91.8	89.4
Lead (Pb)[13]	0.0	0.0	0.0
Mercury (Hg)[14]	0.0	0.0	0.0
Total	**93.6**	**95.4**	**94.9**

Specific emissions of pollutants

	Unit	2021			2022			2023		
		Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Total air emissions per unit of output	kt/kt	0.09	2.22	-	0.10	2.57	-	0.09	2.73	-
Total air emissions per revenue	kt/USD mn	0.03	0.09	0.05	0.03	0.08	0.04	0.03	0.09	0.04
Total air emissions per revenue	kt/RUB mn	0.0042	0.0012	0.0009	0.00038	0.0011	0.0006	0.00036	0.0010	0.0005
NOx emissions per unit of output	kt/kt	0.006	0.3701	-	0.005	0.4476	-	0.006	0.4310	-
SOx emissions per unit of output	kt/kt	0.012	1.2992	-	0.012	1.4809	-	0.011	1.6065	-
Particulate matter emissions per unit of output	kt/kt	0.010	0.4720	-	0.009	0.5787	-	0.010	0.6400	-
VOCs emissions per unit of output	kt/kt	0.00031	0.0035	-	0.00023	0.0025	-	0.00032	0.0032	-

Water resources

GRI 303-3, SASB IF-EU-140a.1, SASB EM-MM-140a.1 **Water withdrawal,[15,16] mn m^3**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Total water withdrawal, including:	**178.4**	**727.0**	**905.4**	**172.7**	**820.2**	**992.9**	**163.5**	**871.8**	**1,035.3**
Surface water	121.2	546.1	667.3	109.1	615.2	724.3	98.8	635.0	733.9
Groundwater	4.0	39.9	43.9	12.6	40.5	53.1	14.4	33.4	47.8
Public networks	14.3	141.0	155.3	12.5	164.5	177.0	12.8	203.4	216.2
Seawater	23.0	0.0	23.0	22.8	0.0	22.8	22.6	0.0	22.6
Other	15.9	0.0	15.9	15.7	0.0	15.7	14.8	0.0	14.8
Freshwater withdrawal, including:	**155.4**	**720.2**	**875.6**	**149.9**	**813.2**	**963.1**	**140.9**	**865.4**	**1,006.3**
Surface water	121.2	546.1	667.3	109.1	615.2	724.3	98.8	635.1	733.9
Groundwater	4.0	33.1	37.1	12.6	33.6	46.2	14.4	26.9	41.3
Public networks	14.3	141.0	155.3	12.5	164.5	177.0	12.8	203.4	216.2
Other	15.9	0.0	15.9	15.7	0.0	15.7	22.6	0.0	22.6

[12] This category includes all pollutants specified by Russian legislation, with the exception of CO and pollutants already presented in this table.
[13] Lead emissions are not typical of the Company's main production facilities.
[14] Mercury emissions are not typical of the Company's main production facilities.
[15] Water withdrawal includes quarry, mine, drainage, storm, and other water that is not used in the production process.
[16] Total indicators may differ from the sums of the components due to rounding.

ADDITIONAL ESG DATA

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Total water withdrawal from all areas with water stress	**1.1**	**4.4**	**5.5**	**1.6**	**4.6**	**6.2**	**1.7**	**0.0**	**1.7**
Surface water	1.0	0.7	1.7	1.5	0.8	2.3	1.6	0.0	1.6
Groundwater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public networks	0.1	3.6	3.7	0.1	3.8	3.9	0.1	0.0	0.1
Seawater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total freshwater withdrawal from all areas with water stress	**1.1**	**4.4**	**5.5**	**1.6**	**4.6**	**6.2**	**1.7**	**0.0**	**1.7**
Surface water	1.0	0.7	1.7	1.5	0.8	2.3	1.6	0.0	1.6
Groundwater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public networks	0.1	3.6	3.7	0.1	3.8	3.9	0.1	0.0	0.1
Seawater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Percentage of water withdrawal from all areas with water stress, %	0.6	0.6	0.6	0.9	0.6	0.6	1	0.0	0.2
Percentage of reused or recycled water, %	91.5	83.6	85.1	91.5	71.9	75.3	91.9	74.7	77.4

GRI 303-5, SASB IF-EU-140a.1, SASB EM-MM-140a.1 **Water consumption,[17] mn m3**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Total water consumption	107.5	478.4	585.9	99.9	565.4	664.4	91.6	619.0	710.6
Total water consumption in all areas with water stress	1.0	1.9	2.9	1.5	2.0	3.5	1.0	0.0	1.0
Change in water storage	-	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Percentage of water consumption in areas with water stress, %	1.0	0.4	0.5	1.5	0.3	0.5	1.0	0.0	0.2

GRI 303-4 **Water discharge,[18,19] mn m^3**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Total water discharge	48.6	446.3	494.9	47.3	509.7	557	41.6	545.9	592
Surface water	25.9	498.9	524.8	23.0	560.0	583	41.6	594.8	636.4
Groundwater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public networks	11.3	10.5	21.8	13.4	11.0	24.4	10.1	18.9	29.0
Seawater	22.7	0.0	22.7	22.8	0.0	22.8	22.6	0.0	22.6
Freshwater discharge	25.9	446.3	488.1	23.0	509.7	532.7	41.6	545.9	587.5
Total water discharge in areas with water stress	1.15	0.8	1.95	0.03	0.8	0.83	27.4	0.0	27.4
Freshwater discharge in areas with water stress	1.15	0.8	1.95	0.03	0.8	0.83	27.4	0.0	27.4
Total volume of wastewater	48.6	499.1	547.7	47.3	560.3	607.6	41.6	594.2	635.8

[17] Water for production needs. The dynamics of water consumption in the Metals segment is due to a change in the accounting approach: in 2021 and 2022, water consumption is calculated using Form 2-TP (water management) as the sum of the following water use codes: "102" (production needs), "8" (other needs). In the reporting period, when calculating the indicator, only code "102" (production needs) was taken into account.
[18] Water discharge excludes any quarry, mine, drainage, storm, and other water that is not used in the production process.
[19] Total indicators may differ from the sums of the components due to rounding. The significant dynamics in the Metals segment indicator in the reporting period was due to a change in the data calculation methodology and the complete exclusion of the "transferred to others" category indicator from the calculation.

ADDITIONAL ESG DATA

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
discharged to surface water bodies by dissolved solids content									
Polluted	81.08	1.56	8.62	80.09	1.43	7.55	86.54	1.3	6.88
Treated	18.15	1.32	2.81	19.48	1.27	2.69	12.98	1.16	1.93
Normally clean	0.77	97.12	88.57	0.43	97.3	89.76	0.48	97.5	91.19

Specific indicators for water resources

	Unit	2021			2022			2023		
		Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Total water withdrawal per unit of output	m3/ bn kWh (Power segment); m3/kt (Metals segment)	47.4	5.88	-	45.0	7.05	-	42.5	7.45	-
Total water withdrawal per revenue	mn m³/ RUB mn	0.0002	0.003	0.0008	0.0002	0.003	0.0009	0,00016	0.0029	0.00083
Total water withdrawal per revenue	mn m³/ USD mn	0.0149	0.23	0.06	0.0124	0.21	0.06	0,013	0.24	0.07
Total water discharge per unit of output	m3/ bn kWh (for the Power segment); m3/kt (for the Metals segment)	3.1	3.60	-	3.88	4.37	-	8.98	4.66	-
Total water discharge per revenue	mn m³/ RUB mn	0.00019	0.00193	0.0006	0.00019	0.00191	0.0006	0.00004	0.00179	0.00047
Total water discharge per revenue	mn m³/USD mn	0.014	0.142	0.044	0.013	0.131	0.042	0.0038	0.1522	0.0404
Total water consumption per unit of output	m3/ bn kWh (for the Power segment); m3/kt (for the Metals segment)	0.0308	3.872	-	0.0292	4.859	-	0.024	5	-
Total water consumption per revenue	mn m³/ RUB mn	0.0001	0.0021	0.0006	0.0001	0.0021	0.0006	0.039	0.002	0.0006
Total water consumption per revenue	mn m³/ USD mn	0.0097	0.1525	0.042	0.0080	0.1455	0.041	0.0075	0.1725	0.0485

Waste and tailings

GRI 306-3 **Waste generated, mt**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Waste generated, mt[20]	84.2	131.1	215.3	62.8	137.1	199.1	60.4	164.6	225.0

GRI 306-3 **Non-hazardous waste generated[21], mt**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Non-hazardous waste generated (excl. overburden), including:	14.9	6.1	21.0	13.8	8.6	22.4	13.0	15.9	28.9
Class IV	-	-	-	-	-	-	-	0.01	-
Class V	-	-	-	-	-	-	-	15.9	-

[20] The indicator includes hazardous and non-hazardous waste, overburden and rock, tailings and sludge.
[21] According to Russian environmental legislation, waste is divided into 5 hazard classes.

ADDITIONAL ESG DATA

GRI 306-3, SASB EM-MM-150a.7 **Hazardous waste generated, kt**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Hazardous waste generated, including:	695.8	2.7	698.6	834.6	12	846.6	767.7	2.4	770.1
Class I	-	-	-	-	-	-	-	0.02	-
Class II	-	-	-	-	-	-	-	0.04	-
Class III	-	-	-	-	-	-	-	2.36	-

GRI 306-4, GRI 306-5, SASB EM-MM-150a.8 **Total weight of hazardous waste generated by management method, kt**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Reused and recycled	660.4	2.0	662.4	807.6	10.8	818.4	745.2	2.0	747.2
Offsite disposal	7.3	0.0	7.3	4.3	0.0	4.3	2.4	1.9	4.3
Onsite landfilling	15.9	0.0	15.9	8.5	0.0	8.5	10.5	0.0	10.5
Onsite storage	13.0	0.6	13.6	11.4	0.9	12.3	10.8	1.0	11.8

SASB EM-MM-150a.4 **Total weight of non-mineral waste generated, mt[22]**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Non-mineral waste generated	1.5	1.6	3.1	1.8	2.1	3.9	2.0	2.1	4.1

GRI 306-4, GRI 306-5 EM-MM-150a.6 **Total weight of non-hazardous waste, including overburden, by management method,[23,24] mt**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Reuse and recycling	2.4	118.6	121.0	2.6	122.9	125.5	3.6	148.4	152.0
Offsite disposal	0.08	0.5	0.58	0.0	**0.4**	0.4	0.2	0.3	0.5
Onsite landfilling	49.1	0.8	49.9	22.7	0.7	23.4	56.4	0.5	56.9
Onsite storage	32.0	12.6	44.6	36.4	14.6	51.0	32.0	17.0	49.0

SASB IF-EU-150a.1, SASB EM-MM-150a.5 **Waste generation and management**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Tailings waste,[25] kt	14 101.1	3983.6	18 3084,6	11 988.4	5997.6	17 986.0	11 792,9	5,806.7	17,924.3
Percentage of tailings waste recycled,[26] %	6.7	61.7	19.7	7.7	67.4	27.6	7,4	69.61	27.4
Total weight of mineral processing waste, kt	15 617.5	4.0	15 621.5	12 267.2	2.7	12 269.9	11,943.8	2.4	11,723.1
Percentage of mineral processing waste recycled, %	2.2	0.0	2.2	9.4	0.0	9.4	8,3	0	8.3

[22] Tailings waste is not generated in the production processes of the Metals segment enterprises, therefore, tailings waste is presented in the form of data on red and nepheline sludge from alumina enterprises generated in the reporting period.
[23] Hereinafter in the Additional ESG data section, the data for Bauxite Company of Guyana, Bauxite Company of Kindia (Guinea), and the Dian-Dian (Guinea) project that may be material for consolidated indicators of overburden and rock waste is excluded due to the lack of metering systems and relevant requirements in national legislation.
[24] The indicator includes overburden waste that may be used for rehabilitation of abandoned land or reprocessed to make new materials.
[25] Tailings waste is not generated in the production processes of the Metals segment enterprises, therefore, tailings waste is presented in the form of data on red and nepheline sludge from alumina enterprises generated in the reporting period.
[26] Used as a constructive and anti-filtration element of hydraulic structures in the Power segment.

ADDITIONAL ESG DATA

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Amount of coal combustion residuals (CCR) generated, kt	-	1,502.6	1,412.9	-	1,946.1	1,946.1	-	2,092.7	2,092.7
Percentage of coal combustion residuals recycled, %	-	68.0	80.0	-	78	78	-	63	63

G4 MM3, SASB EM-MM-150a.6 **Overburden, rock, tailings, and sludge generation and accumulation, mt**

		2021			2022			2023		
		Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Generated	Overburden	68.6	114.8	183.4	49.0	117.2	166.2	46.7	136.3	183.0
	Rock	0.0	10.3	10.3	0.0	11.3	11.3	0.0	12.4	12.4
	Tailings	0.0	4.3	4.3	0.0	6.3	6.3	0.0	6.1	6.1
	Sludge	14.1	0.2	14.3	12.0	0.2	12.2	11.8	0.3	12.1
Accumulated	Overburden	488.0	284.6	772.6	516.1	284.6	800.7	542.9	285.7	828.6
	Rock	0.0	969.3	969.3	0.0	980.5	980.5	0.0	992.7	992.7
	Tailings	0.0	114.5	114.5	0.0	116.3	116.3	0.0	117.9	117.9
	Sludge	494.2	0.6	494.8	437.5	0.6	438.1	396.7	0.6	397.3

SASB IF-EU-150a.2 **Total number of tailings storage facilities broken down by hazard potential classification and structural integrity assessment in the Power segment**

	2021	2022	2023
Total number of coal combustion residual (CCR) impoundments	16	16	16
High hazard potential	1	2	2
Significant hazard potential	13	12	12
Low hazard potential	2	2	2

Specific waste indicators

	Unit	2021			2022			2023		
		Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Total generated waste/unit of output	mt/mt	0.022	1.06073	-	0.016	1.12635	-	0.016	1.17112	-
Total generated waste/revenue in USD mn	mt/ USD mn	0.007	0.041772	0.015	0.004	0.03530	0.012	0.005	0.04588	0.015
Total generated waste/revenue in RUB mn	mt/RUB mn	0.000095	0.00057	0.00021	0.000066	0.00051	0.00018	0.004946	0.00054	0.00018

Land rehabilitation and reclamation

G4 MM1 **Amount of land disturbed because of open-pit mining and rehabilitated, ha**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Total amount of land disturbed because of open-pit mining but not yet rehabilitated as at 1 January of the reporting year	10,295	11,761.7	22,054.9	12,104.25	11,994.6	22,428	11,017	12,206	23,223
Total amount of land disturbed because of open-pit mining	245	214	459	45	227	272	164	226	390
Total amount of rehabilitated land for which a permit for use has been obtained	107	60	167	77	0	77	290	60	350
Total amount of land disturbed because of open-pit mining but not yet rehabilitated as at 31 December of the reporting year	10,433	11,915.7	22,347	12,072.3	12,221.3	24,293.6	10,891	12,372.36	23,263.36

ADDITIONAL ESG DATA

Occupational health and safety

GRI 403-9, GRI 403-10, SASB EM-MM-320a.1, SASB IF-EU-320a.1, HKEX KPI B2.1 **Indicators related to injuries and occupational diseases**

Indicator	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Number of fatalities as a result of work-related injuries (employees)	7	1	8	4	1	5	1	1	2
Number of fatalities as a result of work-related injuries (contractors)	5	0	5	1	1	2	2	0	2
Number of high-consequence work-related injuries (employees)	16	7	23	18	9	27	11	5	16
Number of high-consequence work-related injuries (contractors)	11	0	11	6	1	7	9	1	10
Number of work-related incidents (employees)	82	35	117	85	36	121	84	29	113
Number of work-related incidents (contractors)	35	0	35	22	2	24	26	2	28
Number of recordable work-related injuries[27] (employees)	-	-	-	-	-	-	115	43	158
Number of recordable work-related injuries (contractors)	-	-	-	-	-	-	31	-	-
Rate of fatalities (employees), per 200,000 hours//1,000,000 hours	0.015//,0.075	-	-	0.008//0.04	-	-	0.002//0.01	0.004//0.018	0.003//0.015
Rate of high-consequence work-related injuries (employees), per 200,000 hours//1,000,000 hours	0.04//0.2	-	-	0.04//0.2	-	-	0.02//0.1	0.018//0.089	0.02//0.1
Rate of high-consequence work-related injuries (contractors), per 200,000 hours//1,000,000 hours	-	-	-	-	-	-	-	0.043//0.214	-
Total Recordable Incident Rate (TRIR)[28] (employees), per 200,000 hours// 1,000,000 hours	0.27//1.35	0.225//1.125	-	0.23//1.15	0.332//1.66	-	0.24//1.2	0.15//0.77	0.21//1.05
Lost Time Injury Frequency Rate	0.17//0.87	0.14//0.68	0.16//0.81	0.18//0.89	0.13//0.67	0.16//0.81	0.18//0.9	0.1//0.52	0.15//0.76

[27] Hereinafter in the Additional ESG data section, the number of recordable work-related injuries covers fatalities as a result of work-related injuries, work-related injuries with temporary or permanent disability, and minor injuries requiring medical treatment and/or transfer to another job.
[28] Hereinafter in the Additional ESG data section, the TRIR indicator covers fatalities as a result of work-related injuries, work-related injuries with temporary or permanent disability, and minor injuries requiring medical treatment and/or transfer to another job.

ADDITIONAL ESG DATA

Indicator	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
(LTIFR)[29] (employees), per 200,000 hours// 1,000,000 hours									
Lost Time Injury Frequency Rate (LTIFR) (contractors), per 200,000 hours// 1,000,000 hours	-	-	-	-	-	-	-	0.09//0.43	-
Work-related injury rate[30]	-	-	-	-	-	-	1.5	0.9	1.2
Number of cases of occupational diseases[31] (employees)	114	91	205	123	65	188	142	113	255
Number of unsafe condi-tions/actions identified	270,023	56,551	326,574	350,366	49,955	400,321	351,645	37,967	389,612
Total number of man-hours worked (employees), thousand	90,909	51,845	149 029	95,639	53,574	149,213	97,111	55,994	153,105
Total number of man-hours worked (contractors), thousand	-	3,546	-	-	4,147	-	-	4,675	-
Number of days lost due to work-related injuries (employees)	5,847	-	-	5,157	-	-	6,107	2,199	8,306
NMFR (employees), per 200,000 hours	-	0.166	-	-	0.258	-	-	0.05	-
NMFR (contractors), per 200,000 hours	-	0.28	-	-	0.05	-	-	0.25	-
LTISR[32] (employees)	-	-	-	-	-	-	13.00	-	-

Health and safety expenditures[33]

Indicator	2021		2022		2023	
	RUB	USD	RUB	USD	RUB	USD
Metals segment						
Total health and safety expenses, RUB '000	-	-	-	-	4,026,000	48,948
Health and safety expenses per employee,[34] RUB '000	-	-	-	-	70.5	0.9
Amount of fines for health and safety violations, RUB '000	-	-	-	-	2,832	34.4
Power segment						
Total health and safety expenses, RUB '000	1,085,800	14,747	1,317,600	19,221	1,182,587	15,169
Health and safety expenses per employee, RUB '000	30.8	0.5	35.5	0.5	38.1	0.5

[29] Hereinafter in the Additional ESG data section, the LTIFR figure covers all injuries with temporary disability recorded by the Company over the given period.
[30] To be calculated as the ratio of injuries over the reporting period to the average headcount for the same period multiplied by 1,000.
[31] Hereinafter in the Additional ESG data section, the details of work-related ill health cover only recorded cases for existing employees and contractors. The statistics do not include cases of newly diagnosed work-related ill-health in the post-exposure period.
[32] Hereinafter in the Additional ESG data section, the LTISR indicator is calculated per 200 thousand man-hours worked and takes into account the number of days of disability due to occupational injuries for the specified period.
[33] Hereinafter in the Additional ESG data section, expenditures are calculated on the basis of the USD/RUB average exchange rate of RUB 73.63 per USD for 2021, RUB 68.55 per USD for 2022, RUB 85.24 per USD for 2023.
[34] Hereinafter in the Additional ESG data section, calculated as the ratio of actual health and safety expenses for the reporting period to the average headcount in the same period.

ADDITIONAL ESG DATA

			En+			
Total health and safety expenses, RUB ‘000	-	-	-	-	5,273,680	64,117
Health and safety expenses per employee, RUB ‘000	-	-	-	-	58.2	0.7

Health and safety training

Indicator	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Average amount of health and safety training (employ-ees), hours/person	37.2	33	36	24.8	38	30	27.5	40	32
Average amount of health and safety training (contrac-tors), hours/person	57,933// 100%	35,256// 100%	93,189// 100%	59,463// 100%	37,154// 100%	97,583// 100%	57,100// 100%	32,755// 100%	90,542// 100%

GRI 403-8 Employees covered by the occupational health and safety management system

Indicator	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Number and percentage of people covered by the occupational health and safety management system, people//%	57,933// 100%	35,256// 100%	93,189// 100%	59,463// 100%	37,154// 100%	97,583// 100%	57,100// 100%	32,755// 100%	90,542// 100%

ADDITIONAL ESG DATA

Employees

GRI 2-7 Headcount, people

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Headcount at Russian and international facilities, including	**57,933**	**35,256**	**93,189**	**59,463**	**37,154**	**96,617**	**57,100**	**32,964**	**90,064**
Russia	47,873	35,247	83,120	49,313	37,146	86,459	49,702	32,956	82,658
Other countries	10,060	9	10,069	10,150	8	10,158	7,398	8	7,406
Percentage of full-time employees, %, including	**98.9**	**99.1**	**99.0**	**97.1**	**99.1**	**97.9**	**98.7**	**99.3**	**98.9**
Female	98.7	98.6	98.7	97.5	98.5	97.9	98.3	98.8	98.5
Male	99.0	99.3	99.2	97.0	99.4	97.8	98.9	99.6	99.1
Percentage of permanent employees, %, including	**92.3**	**96.1**	**94.2**	**92.4**	**95.5**	**93.6**	**92.3**	**96.4**	**93.8**
Female	89.4	94.6	92.0	90.0	93.7	91.6	90.1	94.5	92.0
Male	93.2	96.8	95.0	93.2	96.2	94.3	93.1	97.4	94.5

GRI 405-1 Diversity of employees, %

	Metals segment			Power segment			En+		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
				Workforce gender diversity					
Female, including	**24.9**	**25.1**	**25.2**	**31.1**	**31.6**	**34.1**	**28.0**	**27.6**	**28.4**
under 30 years old	10.5	10.1	9.8	11.2	10.9	11.3	10.9	10.4	10.4
30–50 years old	62.5	62.4	62.6	62.4	62.9	62.8	62.5	62.6	62.7
over 50 years old	26.9	27.6	27.6	26.4	26.2	25.9	26.7	27.0	26.9
Male, including	**75.1**	**74.9**	**74.8**	**68.9**	**68.4**	**65.9**	**72.0**	**72.4**	**71.6**
under 30 years old	15.9	14.6	14.1	13.6	13.8	13.9	14.8	14.3	14.0
30–50 years old	63.0	63.1	63.1	57.3	57.3	57.5	60.2	61.0	61.2
over 50 years old	21.1	22.4	22.8	29.1	28.8	28.6	25.1	24.7	24.8
				Gender diversity of senior management					
Female, including	**17.4**	**18.0**	**18.9**	**22.6**	**24.4**	**29.7**	**20.0**	**19.9**	**22.3**
under 30 years old	0.0	0.0	0.0	1.2	2.8	5.3	0.6	1.0	2.2
30–50 years old	71.9	74.2	67.4	79.0	65.3	69.5	75.5	70.9	68.3
over 50 years old	28.1	25.8	32.6	19.8	31.9	25.3	24.0	28.1	29.5
Male, including	**82.6**	**82.0**	**81.1**	**77.4**	**75.6**	**70.3**	**80.0**	**80.1**	**77.7**
under 30 years old	0.2	0.2	1.1	0.7	0.4	0.4	0.5	0.3	0.9
30–50 years old	57.7	58.7	55.7	69.8	64.6	63.1	63.8	60.3	57.8
over 50 years old	42.1	41.2	43.2	29.5	35.0	36.4	35.8	39.4	41.3
				Gender diversity of middle-level management					
Female, including	**21.2**	**21.7**	**22.2**	**22.4**	**23.2**	**25.5**	**21.8**	**22.4**	**23.8**
under 30 years old	1.6	2.1	10.6	3.1	3.4	4.1	2.4	2.7	3.2

ADDITIONAL ESG DATA

	Metals segment			Power segment			En+		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
30–50 years old	66.2	65.3	66.2	67.6	68.0	66.6	66.9	66.7	66.4
over 50 years old	32.2	32.7	23.2	29.3	28.6	29.3	30.8	30.6	30.3
Male, including	**78.8**	**78.3**	**77.8**	**77.6**	**76.8**	**74.5**	**78.2**	**77.6**	**76.2**
under 30 years old	3.2	2.7	2.4	3.4	3.9	4.0	3.3	3.3	3.1
30–50 years old	68.9	67.6	66.9	67.0	67.3	67.4	68.0	67.5	67.2
over 50 years old	27.9	29.7	30.7	29.5	28.8	28.6	28.7	29.2	29.7
Gender diversity of specialists									
Female, including	**54.5**	**55.6**	**55.2**	**58.8**	**58.8**	**58.8**	**56.7**	**57.2**	**57.0**
under 30 years old	14.1	14.3	13.2	12.4	12.0	12.5	13.3	13.0	12.8
30–50 years old	67.0	66.8	67.7	67.6	68.6	68.8	67.3	67.7	68.3
over 50 years old	18.9	18.9	19.1	20.1	19.5	18.7	19.5	19.2	18.9
Male, including	**45.5**	**44.4**	**44.8**	**41.2**	**41.2**	**41.2**	**43.4**	**42.8**	**43.0**
under 30 years old	12.9	11.4	10.7	13.2	12.8	14.0	13.1	12.1	12.3
30–50 years old	66.3	65.7	65.3	62.9	63.6	63.6	64.6	64.6	64.5
over 50 years old	20.8	23.0	24.0	23.9	23.6	22.4	22.4	23.3	23.2
Gender diversity of blue-collar employees									
Female, including	**20.2**	**20.1**	**20.1**	**22.6**	**22.9**	**25.4**	**21.4**	**21.1**	**21.7**
under 30 years old	9.9	9.0	9.0	11.8	11.4	11.7	10.9	9.9	10.0
30–50 years old	59.9	59.7	59.5	56.2	56.3	56.0	58.1	58.5	58.2
over 50 years old	30.2	31.3	31.5	32.0	32.4	32.3	31.1	31.7	31.8
Male, including	**79.8**	**79.9**	**79.9**	**77.4**	**77.1**	**74.6**	**78.6**	**78.9**	**78.3**
under 30 years old	17.7	16.3	15.8	15.8	16.2	16.1	16.8	16.3	15.9
30–50 years old	62.1	62.4	62.6	54.1	54.0	53.9	58.1	59.7	60.0
over 50 years old	20.2	21.3	21.6	30.1	29.8	30.0	25.2	24.1	24.1

Number of employees with three or more children

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Number of employees with three or more children	2,720	-	-	2,869	-	-	2,854	1,947	4,801

Employees with disabilities

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Number of employees with disabilities, people	345	333		372[35]	413	785	397	503	900
Percentage of employees with disabilities, %	0.6	0.9		0.6	1.1	0.8	0.7	1.5	1.0

[35] The value was adjusted as a result of data refinement

ADDITIONAL ESG DATA

Employees of retirement age

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Number of employees of retirement age, people	-	-	-	-	-	-	1,774	3,715	5,489
Percentage of employees of retirement age, %	-	-	-	-	-	-	3.1	11.3	6

GRI 401-1 New employee hires, people

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Total, including	8,154	6,893	15,047	6,480	7,226	13,706	6,429	6,761	13,190
Russia	7,327	6,892	14,219	5,747	7,226	12,973	5,848	6,761	12,609
Other countries	827	1	828	733	0	733	581	0	581

GRI 401-1 New employee hires by gender, %

	2021	2022	2023
Male	30.5	30.8	32.7
Female	69.5	69.2	67.3

GRI 401-1 New employee hires by age, %

	2021	2022	2023
Under 30 years old	33.7	33.7	37.3
30–50 years old	55.3	55.0	50.5
Over 50 years old	11.0	11.3	12.2

GRI 401-1 Employee turnover,[36] %

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Employee turnover	**10.6**	**13.6**	**12.1**	**9.5**	**12.2**	**10.5**	**11.3**	**15.4**	**12.8**
Female	**10.3**	**15.5**	**12.9**	**9.8**	**14.0**	**11.6**	**11.4**	**18.6**	**14.6**
under 30 years old	20.7	27.9	24.3	21.5	26.5	23.8	23.4	43.5	32.9
30–50 years old	8.6	13.5	11.1	7.9	12.0	9.7	9.7	16.3	12.6
over 50 years old	10.3	14.8	12.6	9.9	13.6	11.5	11.1	13.3	12.0
Male	**10.7**	**12.8**	**11.8**	**9.4**	**11.4**	**10.1**	**11.2**	**13.8**	**12.1**
under 30 years old	18.9	20.7	19.8	17.7	18.7	18.0	21.5	31.9	25.0
30–50 years old	8.2	11.5	9.9	6.8	10.1	7.9	8.6	11.6	9.5
over 50 years old	12.0	11.7	11.9	11.3	10.6	11.0	12.1	9.5	11.1

[36] The values have been recalculated due to improvements in the methodology. The calculation is based on the headcount as at the end of the year. The high employee turnover in 2019 was caused by layoffs as a result of the reorganisation of the Engineering and Construction Division.

ADDITIONAL ESG DATA

GRI 401-1 Employee turnover by region, %

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Russia	11.0	13.6	12.3	9.7	12.2	11.0	11.7	15.4	13.2
Other countries	8.7	77.8	43.3	8.7	12.5	10.8	8.2	0	8.2

GRI 202-2 Proportion of senior management hired from the local community in Russia and other countries, %[37]

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Russia	99.8	100	99.9	99.8	100	99.9	99.8	100	98.2
Other countries	60.8	100	80.4	91.9	100	82.3	60.7	100	60.7

GRI 401-3 Parental leave

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Total number of employees that were entitled to parental leave	7,186	1,221	8,407	5,924	1,750	7,674	6,539	1592	8,131
Female	1,536	630	2,166	1,275	810	2,085	1,634	960	2,594
Male	5,650	591	6,241	4,649	940	5,589	4,905	632	5,537
Total number of employees that took parental leave	312	568	880	333	579	912	352	487	839
Female	291	535	826	320	547	867	309	467	776
Male	21	33	54	13	32	45	43	20	63
Total number of employees that returned to work in the reporting period after parental leave ended	280	218	498	317	287	604	270	219	489
Female	267	208	475	300	272	572	237	210	447
Male	13	10	23	17	15	32	33	9	42
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	215	126	341	227	149	376	222	121	343
Female	203	119	322	221	142	363	213	118	331
Male	12	7	19	6	7	13	9	3	12
Retention rate of employees that took parental leave[38], %	80.8	52.5	66.7	81.1	68.3	75.5	83.6	44.0	57.9

GRI 2-30, SASB EM-MM-310a.1 Employees covered by collective bargaining agreements, %

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Employees covered by collective bargaining agreements, including	-	-	86.0	-	-	86.3	85.5	83.6	84.8
Russia	85.7	88.3	-	87.9	86.5	-	87.7	83.6	86.1
Other countries	79.5	-	-	78.4	-	-	70.8	-	70.7

[37] The geographical definition of "local" includes a country. Senior management includes the president, vice-presidents, directors of enterprises and production units and other functions, as well as their deputies.
[38] Retention rate of employees that took parental leave:

$$\text{Retention rate of employees that took parental leave} = \frac{\text{Total number of employees retained 12 months after returning to work following a period of parental leave}}{\text{Total number of employees returning from parental leave in the prior reporting period(s)}} \times 100\%$$

ADDITIONAL ESG DATA

GRI 202-1 Standard entry level wage for employees and established minimum wage in the key countries of the Metals segment's operation [39]

Region	Standard entry level wage						Established minimum wage in the region					
	2021		2022		2023		2021		2022		2023	
	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD
Russia	18,100	246	22,000	321	23,785	279	12,792	177	15,279	223	16,242	191
Republic of Armenia	32,360	439	37,851	564	53,963	626	13,824	188	14,570	213	22,318	262
Ukraine	17,563	238	14,203	207	-	-	17,563	238	14,203	207	-	-
Jamaica	23,043	313	23,624	345	32 742	384	14,815	201	17,338	253	30,956	363
Guinea	5,054	69	5,284	77	6 705	79	3,319	45	4,338	63	5,504	65
Guyana	40,949	556	37,958	554	47 656	560	15,565	211	19,640	286	24,396	286
Nigeria	10,540	143	8,955	131	8504	42	5,533	75	4,852	71	3,977	47

GRI 202-1 Standard entry level wage for employees and established minimum wage in Russia and the CIS for the Power segment [40]

Region	Standard entry level wage[41]						Established minimum wage in the region[42]					
	2021		2022		2023		2021		2022		2023	
	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD
Russia	**15,316**	**208**	**17,600**	**257**	**18,000**	**211**	**12,792**	**174**	**15,279**	**223**	**16,242**	**191**
Volgograd Region	16,000	217	17,600	257	22,880	269	12,792	174	15,279	223	17,519	206
Moscow	28,752	390	31,680	462	38,736	456	20,589	280	23,508	343	29,389	345
St. Petersburg	37,950	515	41,745	609	46,260	543	19,650	267	23,500	343	25,000	294
Trans-Baikal Territory	19,188	261	19,863	290	24,363	286	19,188	261	19,863	290	24,363	286
Irkutsk Region	20,467	278	22,423	327	22,801	268	20,467	278	23,508	343	16,242	191
Krasnodar Territory	30,256	411	18,000	263	18,000	211	12,792	174	16,043	234	17,054	200
Krasnoyarsk Territory	22,226	302	24,446	357	25,987	305	20,467	278	24,446	357	25,987	305
Moscow Region	27,590	375	22,989	335	28,736	337	12,792	174	15,279	223	19,000	223
Nizhny Novgorod Region	15,316	208	18,908	276	24,593	289	12,792	174	15,279	223	16,242	191
Republic of Karelia	31,375	426	34,513	503	39,680	466	23,026	313	27,502	401	29,236	343
Republic of Tyva	25,452	346	29,030	423	30,860	362	24,305	330	29,030	423	30,860	362
Republic of Khakassia	20,467	278	24,446	357	25,987	305	20,467	278	24,446	357	25,987	305
Chelyabinsk Region	21,011	285	23,178	338			14,711	200	17,571	256		
Yaroslavl Region	46,665	634	63,201	922	59,880	703	12,792	174	15,279	223	16,242	191
Armenia	16,000	217	17,975	262	25,049	294	12,792	174	14,352	209	20,000	235
Primorsky Territory	28,752	390	40,000	584	47,123	553	20,589	280	22,919	334	25,987	305
Sakhalin Region	37,950	515	29,794	435	29,279	344	19,650	267	29,794	435	29,279	344

GRI 405-2 Ratio of basic salary and remuneration of men to women

	2021		2022		2023	
	Metals segment	Power segment	Metals segment	Power segment	Metals segment	Power segment
Average salary	**1.33**	**1.18**	**1.16**	**1.13**	**1.29**	**0.95**
Senior management	1.7	1.46	1.19	1.26	1.32	1.32
Middle-level management	1.15	1.09	1.06	1.02	1.09	1.06
Specialists	1.48	1.22	1.19	1.22	1.44	1.19
Blue-collar employees	1.41	1.4	1.53	1.34	1.41	1.34

[39] Calculated on the basis of the average USD/RUB exchange rate of RUB 73.58 for 2021, RUB 68.55 for 2022, RUB 85.25 for 2023.
[40] Calculated on the basis of the average USD/RUB exchange rate of RUB 73.63 for 2021, RUB 68.55 for 2022, RUB 85.25 for 2023.
[41] Average values.
[42] Average values; includes the regional coefficient and Northern index.

ADDITIONAL ESG DATA

GRI 404-1 **Total hours of training, hours**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Hours of training	**-**	**-**	**-**	**-**	**1,145,959**	**1,145,959**	**2,158,473**	**1,260,239**	**3,418,712**
Female	-	-	-	-	185,349	185,349	11,461	196,999	208,460
Male	-	-	-	-	960,610	960,610	1,747,012	1,063,240	2,810,252
Hours of training (senior management)	**-**	**-**	**-**	**-**	**21,804**	**21,804**	**37,012**	**31,396**	**68,408**
Hours of training (middle-level management)	**-**	**-**	**-**	**-**	**256,581**	**256,581**	**235,036**	**368,974**	**604,010**
Hours of training (specialists)	**-**	**-**	**-**	**-**	**200,735**	**200,735**	**320,233**	**257,465**	**577,698**
Hours of training (blue-collar employees)	**-**	**-**	**-**	**-**	**666,839**	**666,839**	**1,566,193**	**602,404**	**2,168,597**

GRI 404-1 **Average hours of training per year, hours**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Hours of training									
Female	4	-	-	16	16	16	29	18	24
Male	2	-	-	21	38	30	41	49	45
Hours of training (senior management)	**1**	**-**	-	**11**	**74**	**43**	**53**	**98**	**76**
Hours of training (middle-level management)	**8**	**-**	-	**23**	**56**	**40**	**51**	**88**	**70**
Hours of training (specialists)	**11**	**-**	-	**23**	**22**	**22**	**40**	**30**	**35**
Hours of training (blue-collar employees)	**0.1**	**-**	-	**3**	**29**	**16**	**34**	**30**	**32**

Training costs, thousands

	2021		2022		2023	
	RUB	USD	RUB	USD	RUB	USD
Metals segment						
Employee training costs	352,600	4,136	435,112	5,104.0	530,417	6,221.9
Training costs per employee	6.1	0.07	-	-	9.3	0.11
Costs to build the talent pool	-	-	-	-	-	-
Power segment						
Employee training costs	-	-	408,100	4,787.1	730,353	8,567.2
Training costs per employee	-	-	7.3	0.1	22.3	0.3
Costs to build the talent pool	-	-	204,200	2,395.3	485,458	5,694.5
En+						
Employee training costs			843,212	9,891.05	1,260,770	14,789.09
Training costs per employee					14	0.16
Costs to build the talent pool			204,200	2,395.3	485,458	5,694.5

ADDITIONAL ESG DATA

GRI 401-2 **Benefits provided to full-time employees that are not provided to temporary or part-time employees in Power segment**

Type of benefits	Employees who used the provided benefits, %
Power segment	
Life insurance	33
Medical services	54
Health resort treatment and vacations	7
Disability payments (over and above those stipulated by law)	0
Child care leave	3
Pension programs	5
Dismissal payments (in excess of those provided for by law)	0
Material assistance of all types	57
One-time incentive payments for employee anniversaries (from 50 years onwards)	5
Reimbursement of 50% of the cost of fitness club subscriptions	1
Daily food subsidy	71
Compensation of 80% of the cost of children's vouchers to the "Sun City" DOLK	2
Preferential mortgage program	1
Expenditures on social programs for employees, RUB thousands	**2,180,328**

GRI 2-27 **Compliance with laws and regulations, pcs**

	2021	2022	2023
Power segment			
Total amount of significant fines	0	0	0
Total number of cases of application of non-financial sanctions	0	0	0
Total number of cases using dispute resolution mechanisms	0	0	0

Number of employees in Power segment belonging to associations, people.

Показатель	2023
Power segment	
Number of employees who are members of Youth Councils	874
Number of employees who are members of Working Councils	383
Number of employees who are members of Women's Councils	195

Contribution to local communities

GRI 413-1 **Social investments**

	Power segment		Metals segment		En+		Power segment		Metals segment		En+		Power segment		Metals segment		En+	
	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD	RUB	USD
Volunteering	24.8	0.3	0.0	0.0	24.8	0.3	26.8	0.4	0.0	0.0	26.8	0.4	71.2	0.8	5.0	0.1	77.1	0.9
Social assistance and support	65.8	0.9	28.5	0.4	94.3	1.3	122.8	1.8	36.9	0.5	159.7	2.3	174.9	2.1	40.6	0.5	217.6	2.6
Sports	128.1	1.7	56.5	0.8	184.7	2.5	810.8	11.8	46.2	0.7	857.0	12.5	738.2	8.7	43.4	0.5	790.2	9.3
Healthcare	1,079.2	14.7	2.2	0.0	1,081.4	14.7	91.9	1.3	1.9	0.0	93.8	1.4	411.4	4.8	7.9	0.1	424.1	5.0
Culture	97.2	1.3	69.8	0.9	167.0	2.3	82.7	1.2	47.4	0.7	130.1	1.9	11.0	0.1	27.8	0.3	39.0	0.5
Environmental and animal protection	164.6	2.2	37.4	0.5	202.0	2.7	177.9	2.6	74.7	1.1	252.6	3.7	146.6	1.7	57.4	0.7	205.8	2.4
Educational projects	892.9	12.1	355.6	4.8	1,248.5	17.0	725.1	10.6	937.0	13.7	1,662.1	24.2	1,645.3	19.3	311.2	3.7	1,975.8	23.2
Social infrastructure	620.2	8.4	121.9	1.7	742.2	10.1	142.0	2.1	116.2	1.7	258.2	3.8	1,138.0	13.3	25.3	0.3	1,176.7	13.8

ADDITIONAL ESG DATA

and urban environment																		
Development of NPOs and local communities	250.3	3.4	9.0	0.1	259.3	3.5	-	0.0	10.2	0.1	10.2	0.1	392.0	4.6	4.7	0.1	401.3	4.7
Other		0.0	56.3	0.8	56.3	0.8	-	0.0	50.9	0.7	50.9	0.7	0.0		4.7	0.1	4.7	0.1
Total	**3,323.2**	**45.1**	**681.0**	**9.2**	**4,004.1**	**54.4**	**2,180.0**	**31.8**	**1,270.5**	**18.5**	**3,450.5**	**50.3**	**4,728.6**	**55.47**	**528.0**	**6.1**	**5,312.1**	**62.**

Corporate governance

Diversity of the Board of Directors, %

	2021	2022[43]	2023
Tenure			
1–3 years	92	64	75
4–9 years	8	36	25
10+ years	0	0	0

GRI 2-9, 405-1 **Composition and diversity of committees as at 31 December 2023, %**

	Audit and Risk Committee	Compliance Committee	Corporate Governance Committee	Health, Safety, and Environment Committee	Nominations Committee	Remuneration Committee
Executiveness						
Executive	0	0	0	0	0	0
Non-executive	100	100	100	100	100	100
Independence						
Independent	100	60	60	80	100	60
Non-independent	0	40	40	20	0	40
Tenure						
1–3 years	60	100	80	80	75	80
4–9 years	40	0	20	20	25	20
10+ years	0	0	0	0	0	0
Gender						
Male	100	40	60	60	50	80
Female	0	60	40	40	50	20

[43] As at 31 December 2022.

ADDITIONAL ESG DATA

Corporate ethics and compliance

Categories of relevant messages to the Signal hotline, %

	2022	2023
Labour relations	38	47
Relations with counterparties	31	21
Occupational health and safety	11	9
Asset protection	10	8
Other	10	14

Supply chain management[44]

GRI 204-1 **Procurement practices**

	2021			2022			2023		
	Metals segment	Power segment	En+	Metals segment	Power segment	En+	Metals segment	Power segment	En+
Total purchases from local suppliers, USD mn	8,574.1	445.4	9,019.5	7,802.3	1,846.78	9,649.15	3,874	1,996.9	5,840.9
Total purchases from local suppliers, RUB bn	631.5	32.8	664.3	534.8	126.6	661.4	330.2	167.7	497.9
Percentage of purchases from local suppliers, %	32	76	34	35	57	39	68	50	62
Total purchases from small and medium-sized suppliers, RUB bn	-	-	-	-	-	-	0.9	63.7	68.2
Percentage of purchases from small and medium-sized suppliers, %	-	-	-	-	-	-	-	40.2	-

Innovation management[45]

	2021			2022			2023		
	Power segment	Metals segment	En+	Power segment	Metals segment	En+	Power segment	Metals segment	En+
Investment in R&D, USD mn	1.4	-	-	2.2	0.8	3	1.1	21.4	22.5
Investment in R&D, RUB mn	99.8,	-	-	152	54.7	206.7	90	1,824	1,914
Total economic effect of business system projects and proposals, USD mn	4.7	43.2	47.9	9.3	41.3	50.6	9.8	76.38	86.2
Total economic effect of business system projects and proposals, RUB mn	346.1	3,181.7	3,527.8	643	2,833	3,476	843	6,500	7,300

[44] Indicators 'Total purchases from small and medium-sized suppliers, RUB bn' and 'Percentage of purchases from small and medium-sized suppliers, %' are presented only for 2023, since previously there was no corresponding information recording system.
[45] Data on investment in R&D by Power segment in 2022 and in total for En+ have been adjusted.

ADDITIONAL ESG DATA

GRI content index

Topic	GRI indicator	Reference/response
GRI 1 Foundation		
GRI 2 General disclosures		
1. THE ORGANIZATION AND ITS REPORTING PRACTICES		
Organizational details	GRI 2-1	About the report, p. 5 Our presence and scale, p.14 Limitation of liability, p. 391 Information for shareholders and investors, p. 196
Entities included in the organization's sustainability reporting	GRI 2-2	About the report, p. 5 Limitation of liability, p. 391
Reporting period, frequency and contact point	GRI 2-3	About the report, p. 4
Restatements of information	GRI 2-4	About the report, p. 5
External assurance	GRI 2-5	About the report, p. 4 Corporate governance, p. 188 Additional ESG Data, p. 384
2. ACTIVITIES AND WORKERS		
Activities, value chain and other business relationships	GRI 2-6	Business review, p. 30, 38 Stakeholder engagement, p. 224 Additional ESG Data, p. 334
Employees	GRI 2-7	Employees, p.150 Additional ESG Data, p. 353
External personnel	GRI 2-8	Employees, p. 150 The number of non-employees, changes in this indicator and calculation methods were not collected.
3. GOVERNANCE		
Governance structure and composition	GRI 2-9	Corporate governance, p. 171 Additional ESG Data, p. 360
Nomination and selection of the highest governance body	GRI 2-10	Corporate governance, p. 174
Chair of the highest governance body	GRI 2-11	Corporate governance, p. 175
Role of the highest governance body in overseeing the management of impacts	GRI 2-12	Sustainability management, p. 78 Internal control and risk management, p. 202
Delegation of responsibility for managing impacts	GRI 2-13	Sustainability management, p. 78 Climate change, p. 87 Energy management, p. 100 Occupational health and safety, p.128 Employees, p. 139 Contribution to local communities, p. 156 Corporate governance, p. 171 Internal control and risk management, p. 201-202 Corporate ethics and compliance, p. 210 Stakeholder engagement, p. 216, 222 Responsible business practices, p. 231, 234, 238
Role of the highest governance body in sustainability reporting	GRI 2-14	About the report, p. 4 Materiality assessment, p. 78-79
Conflicts of interest	GRI 2-15	Corporate governance, p. 170, 190
Communication of critical concerns	GRI 2-16	Corporate governance, p. 180 Internal control and risk management, p. 202

ADDITIONAL ESG DATA

Topic	GRI indicator	Reference/response
Collective knowledge of the highest governance body	GRI 2-17	Corporate governance, p. 182
Evaluation of the performance of the highest governance body	GRI 2-18	Corporate governance, p. 182
Remuneration policies	GRI 2-19	Corporate governance, p. 193
Process to determine remuneration	GRI 2-20	Corporate governance, p. 192
Annual total compensation ratio	GRI 2-21	The data cannot be disclosed as the annual total compensation ratio is confidential.
4. STRATEGY, POLICIES AND PRACTICES		
Statement of sustainable development strategy	GRI 2-22	Statement from the Chief Executive Officer, p. 20
Policy commitments	GRI 2-23	Contribution to Sustainable Development Goals, p. 80, 82 Employees, p. 142 Corporate ethics and compliance, p. 209, 212
Embedding policy commitments	GRI 2-24	Corporate ethics and compliance, p. 210-211 Stakeholder engagement, p. 223
Processes to remediate negative impacts	GRI 2-25	Materiality assessment, p. 78-79 Climate change, p. 87 Environmental protection, p. 105 Occupational health and safety, p. 131 Internal control and risk management, p. 202 Corporate ethics and compliance, p. 212 Stakeholder engagement, p. 216 Additional ESG Data, p. 332-333
Mechanisms for seeking advice and raising concerns	GRI 2-26	Corporate ethics and compliance, p. 212 Stakeholder engagement, p. 216
Compliance with laws and regulations	GRI 2-27	Environmental protection, p. 112 Employees, p. 139 Corporate governance, p. 170 Additional ESG Data, p. 343, 359
Membership associations	GRI 2-28	Environmental protection, p. 120 Stakeholder engagement, p. 218
5. STAKEHOLDER ENGAGEMENT		
Approach to stakeholder engagement	GRI 2-29	Contribution to local communities, p. 153 Stakeholder engagement, p. 215, 216
Collective bargaining agreements	GRI 2-30	Employees, p. 142 Additional ESG Data, p. 356
GRI 3 Material topics		
Process to determine material topics	GRI 3-1	Materiality assessment, p. 79, 80 Additional ESG Data, p. 332
List of material topics	GRI 3-2	Materiality assessment, p. 79
Management of material topics	GRI 3-3	Strategy, p. 24 Sustainability management, p. 78 Climate change, p. 87-89, 98 Energy management, p. 100 Environmental protection, p. 105, 107, 108, 109, 111, 112, 113, 116, 120, 122, 123 Occupational health and safety, p.127 Employees, p. 138, 143 Contribution to local communities, p. 153 Stakeholder engagement, p.214, 216, 222 Responsible business practices, p. 227, 229, 231, 234, 237-238, 241
GRI 200 ECONOMIC		
GRI 201 ECONOMIC PERFORMANCE		
Direct economic value	GRI 201-1	Additional ESG Data, p. 330

ADDITIONAL ESG DATA

Topic	GRI indicator	Reference/response
generated and distributed		
Financial implications and other risks and opportunities due to climate change	GRI 201-2	Additional ESG Data, p. 336 Climate change, p. 94, 96
Defined benefit plan obligations and other retirement plans	GRI 201-3	Consolidated Financial Statement, p. 246
Financial assistance received from government	GRI 201-4	Additional ESG Data, p. 330
GRI 202 MARKET PRESENCE		
Ratios of standard entry level wage by gender compared to local minimum wage	GRI 202-1	Additional ESG Data, p. 357 In the Metals segment, the amount of the standard entry level wage is disclosed without a breakdown by gender due to the specifics of data collection.
Proportion of senior management hired from the local community	GRI 202-2	Additional ESG Data, p. 356 Significant locations of En+ operations are the regions where production facilities and key personnel of its enterprises are located.
GRI 203 INDIRECT ECONOMIC IMPACTS		
Infrastructure investments and services supported	GRI 203-1	Contribution to local communities, p. 157
Significant indirect economic impacts	GRI 203-2	Contribution to local communities, p. 154, 158, 160 Stakeholder engagement, p. 224 Additional ESG Data, p. 334
GRI 204 PROCUREMENT PRACTICES		
Proportion of spending on local suppliers	GRI 204-1	Stakeholder engagement, p. 224 Additional ESG Data, p. 361
GRI 205 ANTI-CORRUPTION		
Operations assessed for risks related to corruption	GRI 205-1	Corporate ethics and compliance, p. 210
Communication and training about anti-corruption policies and procedures	GRI 205-2	Information on the total number and percentage of employees who have been informed about the Company's anti-corruption policies and procedures, as well as information on the total number and percentage of employees who have received the relevant training has been excluded due to existing reporting processes.
Confirmed incidents of corruption and actions taken	GRI 205-3	In 2023, the Company recorded three cases of corruption and fraud.
GRI 206 ANTI-COMPETITIVE BEHAVIOR		
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI 206-1	Corporate ethics and compliance, p. 212
GRI 207 TAX		
Approach to tax	GRI 207-1	En+ is a responsible and reliable taxpayer. The basis for the preparation of accounting policies for tax purposes in subsidiaries and affiliates is the general accounting principles, which are reviewed annually by En+. En+ also has a policy describing its approach to taxation. Most of our tax expenses are related to income tax. The methodology for calculating income tax expense is set out on p. 273. En+ is a tax resident of the Russian Federation. It is also registered as a resident of the SAR (Special Administrative Region) of Russia, which, subject to certain conditions, provides a number of tax benefits. The tax rate for the parent company and subsidiaries registered in Russia is 20%. In addition, subsidiaries are registered in 10 other countries where the tax rate varies from 0% to 30%. The tax rates in other countries can be found on p. 273. We regularly publish tax information using various types of accounts: Condensed consolidated interim financial information is published several times a year (once every three or six months) and represents interim information on tax expenses and tax liabilities for a given period. Consolidated financial statements are published once a year and contain

ADDITIONAL ESG DATA

Topic	GRI indicator	Reference/response
		financial information for a year ended 31 December. The Consolidated Report is published annually and provides a review of the financial results, including financial ratios and contingent liabilities. The country-by-country report provides information for each tax jurisdiction for all legal entities included in the Company's audited consolidated financial statements that are tax residents of a respective country.
Tax governance, control, and risk management	GRI 207-2	Systematic and rational tax risk management is key to the Company's investment attractiveness and financial stability. Thus, we take a responsible approach to tax risk management, which includes identification and monitoring of tax risks. The Audit and Risk Committee is responsible for reviewing material aspects of the accounting policies of the Company and its subsidiaries to ensure their proper and consistent application. Further responsibilities of the Audit and Risk Committee are described on p. 188, Corporate Governance. The departments responsible for tax issues within the Company develop measures to eliminate or minimise the risks and work to avoid them in compliance with tax legislation. Tax compliance is included in the KPIs of the key divisions responsible for the Company's tax management. The Accounting Department is in charge of tax policy compliance of the Company. The Tax Policy Department is authorised to consider and approve the Company's projects and transactions. The Company performs regular internal and external audits of financial statements.
Stakeholder engagement and management of concerns related to tax	GRI 207-3	We closely monitor the risks associated with the possibility of varying interpretations and frequent changes in applicable tax, currency and customs legislation. For example, as tax authorities take an increasingly assertive stance in interpreting and enforcing tax laws, the Company may need to challenge their interpretations of legal provisions that differ from previous interpretations, which may involve dealing with local, state, and federal authorities. In planning our tax-related expenses, we estimate the maximum cumulative additional amounts that could be paid if tax positions were not sustained, as it is probable (although less than 50%) that additional taxes may be due as a result of tax audits or disputes with tax authorities.
Country-by-country reporting	GRI 207-4	The data is partially presented in the financial review. Consolidated Financial Statement, p. 246
GRI 300 ENVIRONMENTAL		
GRI 302 ENERGY		
Energy consumption within the organization	GRI 302-1	Energy management, p. 102 Additional ESG Data, p. 340
Energy intensity	GRI 302-3	Energy management, p. 102
Reduction of energy consumption	GRI 302-4	Energy management, p. 100 Additional ESG Data, p. 339. Sources of conversion factors for calculation: 1. IPCC (2006) Guidelines for National Greenhouse Gas Inventories, Volume 2 Energy, Chapter 1 (Introduction), pp.1.19-1.20, tab. 1.2 2. Energy converter, available at http://convert-to.com/conversion/energy/convert-kwh-to-gj.html
GRI 303 WATER AND EFFLUENTS		
Interactions with water as a shared resource	GRI 303-1	Environmental protection, p. 107, 111
Management of water discharge-related impacts	GRI 303-2	Environmental protection, p. 107, 111 The water withdrawal and wastewater discharges are carried out by the Company's enterprises in accordance with project design solutions and established legal requirements. Interaction with water bodies is regulated taking into account their properties and the chemical composition of discharges affecting water bodies.

ADDITIONAL ESG DATA

Water withdrawal	GRI 303-3	Environmental protection, p. 114, 115 Additional ESG Data, p. 344
Water discharge	GRI 303-4	Environmental protection, p. 114, 115 Additional ESG Data, p. 345
Water consumption	GRI 303-5	Environmental protection, p. 114, 115 Additional ESG Data, p. 345
GRI 304 BIODIVERSITY		
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	GRI 304-1	Environmental protection, p. 120, 123
Significant impacts of activities, products, and services on biodiversity	GRI 304-2	Environmental protection, p. 120, 123
Habitats protected or restored	GRI 304-3	Environmental protection, p. 109, 118-119
IUCN Red List species and national conservation list species with habitats in areas affected by operations	GRI 304-4	Environmental protection, p. 124
GRI 305 EMISSIONS		
Direct (Scope 1) GHG emissions	GRI 305-1	Climate change, p.98-99 Additional ESG Data, p. 336
Energy indirect (Scope 2) GHG emissions	GRI 305-2	Climate change, p.98-99
Energy indirect (Scope 3) GHG emissions	GRI 305-3	Climate change, p.98-99
GHG emissions intensity	GRI 305-4	Climate change, p.99 Additional ESG Data, p. 336 Indirect energy emissions of scope 3 include emissions from fuels and raw materials purchased by the Company
Reduction of GHG emissions	GRI 305-5	Sustainable development, p.74 Climate change, p.90
Emissions of ozone-depleting substances (ODS)	GRI 305-6	There are no emissions of ODS
Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	GRI 305-7	Environmental protection, p. 113 Additional ESG Data, p. 343
GRI 306 WASTE		
Waste generation and significant waste-related impacts	GRI 306-1	Environmental protection, p. 108
Management of significant waste-related impacts	GRI 306-2	Environmental protection, p. 108
Waste generated	GRI 306-3	Environmental protection, p. 116-117 Additional ESG Data, p. 346
Waste diverted from disposal	GRI 306-4	Environmental protection, p. 116-117 Additional ESG Data, p. 346-347
Waste directed to disposal	GRI 306-5	Environmental protection, p. 117 Additional ESG Data, p. 347
GRI 308 SUPPLIER ENVIRONMENTAL ASSESSMENT		
New suppliers that were screened using environmental criteria	GRI 308-1	Stakeholder engagement, p.223
Negative environmental impacts in the supply chain and actions taken	GRI 308-2	Stakeholder engagement, p.223
GRI 400 SOCIAL		

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GRI 401 EMPLOYMENT		
New employee hires and employee turnover	GRI 401-1	Employees, p. 150 Additional ESG Data, p. 355
Benefits provided to full-time employees that are not provided to temporary or part-time employees	GRI 401-2	Employees, p. 142 Additional ESG Data, p. 358
Parental leave	GRI 401-3	Additional ESG Data, p. 356
GRI 402 LABOR/MANAGEMENT RELATIONS		
Minimum notice periods regarding operational changes	GRI 402-1	For Group companies located in the Russian Federation: "the minimum period shall be two months pursuant to the current Labour Code of the Russian Federation, federal laws and other regulatory legal acts containing labor law norms, agreements and employment contracts, according to part 2 of Art. 74 of the Labour Code of the Russian Federation".
GRI 403 OCCUPATIONAL HEALTH AND SAFETY		
Occupational health and safety management system	GRI 403-1	Occupational health and safety, p.127, 129, 136
Hazard identification, risk assessment, and incident investigation	GRI 403-2	Occupational health and safety, p. 127, 129, 130, 132, 134, 136
Occupational health services	GRI 403-3	Occupational health and safety, p. 131
Worker participation, consultation, and communication on occupational health and safety	GRI 403-4	Occupational health and safety, p. 127, 134
Worker training on occupational health and safety	GRI 403-5	Occupational health and safety, p. 129, 130, 133 Additional ESG Data, p. 352
Promotion of worker health	GRI 403-6	Occupational health and safety, p.131 Employees, p. 140
Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	GRI 403-7	Occupational health and safety, p.132
Workers covered by an occupational health and safety management system	GRI 403-8	Occupational health and safety, p.127 Additional ESG Data, p. 352
Work-related injuries	GRI 403-9	Occupational health and safety, p. 136, 137 Additional ESG Data, p. 350-351
Work-related ill health	GRI 403-10	Occupational health and safety, p. 131, 137 Additional ESG Data, p. 351
GRI 404 TRAINING AND EDUCATION		
Average hours of training per year per employee	GRI 404-1	Additional ESG Data, p. 357
Programs for upgrading employee skills and transition assistance programs	GRI 404-2	Employees, p. 144
GRI 405 DIVERSITY AND EQUAL OPPORTUNITY		
Diversity of governance bodies and employees	GRI 405-1	Employees, p. 150 Additional ESG Data, p. 353
Ratio of basic salary and remuneration of women to men	GRI 405-2	Employees, p. 151 Additional ESG Data, p. 356
GRI 406 NON-DISCRIMINATION		
Incidents of discrimination and corrective actions taken	GRI 406-1	Employees, p. 142
GRI 407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	GRI 407-1	Stakeholder engagement, p.223

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GRI 408: CHILD LABOR		
Operations and suppliers at significant risk of incidents of the use of child labor	GRI 408-1	Employees, p. 142 Stakeholder engagement, p.223
GRI 409: FORCED AND COMPULSORY LABOR		
Operations and suppliers at significant risk for incidents of forced or compulsory labor	GRI 409-1	Employees, p. 142 Stakeholder engagement, p.223
GRI 411 RIGHTS OF INDIGENOUS PEOPLES		
Incidents of violations involving rights of indigenous peoples	GRI 411-1	In 2023, the Company did not record any conflicts related to lands or objects that present historical or cultural value for indigenous communities.
GRI 413 LOCAL COMMUNITIES		
Operations with local community engagement, impact assessments, and development programs	GRI 413-1	Occupational health and safety, p.132 Employees, p. 142 Contribution to local communities, p. 153
GRI 414 SUPPLIER SOCIAL ASSESSMENT		
New suppliers that were screened using social criteria	GRI 414-1	Stakeholder engagement, p.223
Negative social impacts in the supply chain and actions taken	GRI 414-2	Stakeholder engagement, p.223
GRI 415 PUBLIC POLICY		
Political contributions	GRI 415-1	Corporate ethics and compliance, p. 212
GRI 417 MARKETING AND LABELING		
Requirements for product and service information and labeling	GRI 417-1	Finished goods manufactured by the Company's enterprises are automatically labelled in accordance with legal requirements. The label contains information about the trademark and name of the manufacturer, the grade of aluminium or alloy, the heat number, and other information.
Incidents of non-compliance concerning product and service information and labeling	GRI 417-2	In 2023, the Company complied with the relevant legislation affecting RUSAL in terms of product labelling, no significant labelling violations were identified.
GRI EU		
Installed capacity by primary energy source	EU1	Additional ESG Data, p. 340 All energy-generating assets are subject to the legal and regulatory framework adopted in the Russian Federation.
Net energy output by energy source and regulatory regime	EU2	Additional ESG Data, p. 339 All energy-generating assets are subject to the legal and regulatory framework adopted in the Russian Federation.
GRI MM		
Amount of land disturbed because of open-pit mining and amount of reclaimed land	MM1	Additional ESG Data, p. 348 Environmental protection, p. 109, 118
The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites plans in place	MM2	Environmental protection, p. 122
Total volume of overburden, rock, tailings and sludge and associated risks	MM3	Environmental protection, p. 117 Additional ESG Data, p. 348

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SASB content index

Metals segment

Topic	Code	Accounting metric	Reference/response
Greenhouse Gas Emissions	EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Climate change, p.98-99 According to regulations, European assets of the Company in Ireland and Sweden are subject to European requirements.
	EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Climate change, p.89, 98
Air Quality	EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Environmental protection, p. 113 Additional ESG Data, p. 344 The Company keeps records in accordance with the requirements of the national legislation of the regions where the Company operates and does not collect data on lead and mercury emissions. Besides, these substances are not specific to the Company's main production units.
Energy Management	EM-MM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Energy management, p. 101-102 The share of renewable fuels is insignificant. Additional ESG Data, p. 341
Water Management	EM-MM-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Environmental protection, p. 114-115 Additional ESG Data, p. 344-345
	EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Environmental protection, p. 112
Waste & Hazardous Materials Management	EM-MM-150a.4	Total weight of non-mineral waste generated	Environmental protection, p. 116 Additional ESG Data, p. 347
	EM-MM-150a.5	Total weight of tailings produced	Environmental protection, p. 116 Additional ESG Data, p. 347
	EM-MM-150a.6	Total weight of waste rock generated	Additional ESG Data, p. 347
	EM-MM-150a.7	Total weight of hazardous waste generated	Environmental protection, p. 116-117 Additional ESG Data, p. 347
	EM-MM-150a.8	Total weight of hazardous waste recycled	Environmental protection, p. 116 Additional ESG Data, p. 347
	EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	There are no critical risks associated with waste management and hazardous materials. In 2023, neither of the Power and Metals segments recorded any significant incidents. Environmental protection, p. 108
	EM-MM-150a.10	Description of waste and hazardous materials management policies and procedures for active and inactive operations	Environmental protection, p. 108
Biodiversity Impacts	EM-MM-160a.1	Description of environmental management policies and practices for active sites	Environmental protection, p. 120
	EM-MM-160a.2	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Environmental protection, p. 109 Production facilities of both Metals and Power segments do not have any acid effluents. Acidic waters are not typical for nepheline and bauxite fields, since these fields do not contain sulphide-containing rocks.
	EM-MM-	Percentage of (1) proved and (2) probable reserves in or near sites with	In its biodiversity activities, the Metals and Power segments are governed by the requirements of the

ADDITIONAL ESG DATA

Topic	Code	Accounting metric	Reference/response
	160a.3	protected conservation status or endangered species habitat	legislation of the countries of the Company's presence, the provisions of the Company's Environmental Policy, the Regulations on the initial assessment of risks and materiality of impacts on biodiversity for existing enterprises and other regulations and documents. The Metals and Power segments implement a comprehensive approach based on an assessment of the risks of potential impacts on biodiversity in the Company's regions of presence, which makes it possible to identify focus areas, minimize and mitigate such impacts as a result of own production activity, and manage biodiversity conservation issues in a rational manner. Additional information: there are no restrictions related to SPNAs and habitat zones of endangered species (not established) for the mineral deposits being developed by the Company's enterprises.
Security, Human Rights & Rights of Indigenous Peoples	EM-MM-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	To help our clients meet the Dodd-Frank Act obligations, we affirm that, in accordance with the Declaration of DRC Conflict Minerals Free manufacturer, none of the Conflict Minerals from the Democratic Republic of the Congo or neighbouring countries (Angola, Republic of Congo, Burundi, Central African Republic, Rwanda, South Sudan, Tanzania, Uganda or Zambia) are used in the production and products of En+. Also, En+ does not in any way contribute to armed conflicts or violations of human rights in the Conflict Areas and in the High-Risk Areas.
	EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	The Company does not operate in areas located on or near indigenous lands.
	EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Contribution to local communities, p.153 No human rights violations, including violations of the rights of indigenous peoples and minorities, were recorded in the reporting year.
Community Relations	EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	The environmental conditions affected by the work of enterprises and the regional economic situation are of huge concern to local communities. The Company pays considerable attention to such issues as the amount of tax payments to budgets, the availability of jobs and decent salaries, social guarantees, opportunities for children to receive a decent education and the prospects for their employment in the future. The Company strives to create favourable living conditions for local communities, to ensure a good social climate and increase the Company's trust and loyalty to the population.
	EM-MM-210b.2	Number and duration of non-technical delays	No non-technical delays were recorded in respect of the Metals and Power segments in the reporting year.
Labour Relations	EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	Employees, p. 142 Additional ESG Data, p. 356 The disclosure includes data on all employees.
	EM-MM-310a.2	Number and duration of strikes and lockouts	In the reporting year, no risks of violations of employees' rights to freedom of association or collective bargaining were identified in respect of the Metals and Power segments' production facilities and suppliers. There were also no strikes or mass layoffs.

ADDITIONAL ESG DATA

Workforce Health & Safety	EM-MM-320a.1	(1) MSHA all-incidence rate, disclosed in accordance with national law (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	Additional ESG Data, p. 350-352 Data is disclosed under the requirements of the legislation of the Russian Federation.
Business Ethics & Transparency	EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	Corporate ethics and compliance, p. 210
Tailings Storage Facilities Management	EM-MM-540a.1	Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRP	Environmental protection, p. 108 Tailings waste is not generated in the production processes of the Metals segment enterprises, therefore, the Metals segment has no tailings storage facilities. As for the Power segment, this information cannot be disclosed in the current reporting period due to the peculiarities of data collection.
	EM-MM-540a.2	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	Tailings waste is not generated in the production processes of the Metals segment enterprises, therefore, the Metals segment has no tailings storage facilities. As for the Power segment, a tailings management system has been developed to monitor and maintain the condition of tailings storage facilities. This includes internal production and environmental control and control by state supervisory bodies and independent organisations. The Company has a multi-level structure that ensures transparency in all tailings management processes and maintains a high level of control over them. Tailings storage facilities are managed as part of the environmental management system.
	EM-MM-540a.3	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	Tailings waste is not generated in the production processes of the Metals segment enterprises, therefore, the Metals segment has no tailings storage facilities. As for the Power segment, Emergency Preparedness and Response Plans have been developed for all tailings storage facilities. EPRPs, in particular, provide for measures to eliminate accidents, operational actions of personnel in case of preemergency and emergency situations, and a list of persons responsible for the implementation of such measures. The plans also include probable scenarios of emergencies at tailings storage facilities.
Activity Metrics	EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	Business review, p. 370
	EM-MM-000.B	Total number of employees, percentage of contractors	Employees, p. 150 The Company collects data only on the number of full-time employees and the share of permanent contracts.

Power segment

Topic	Code	Accounting metric	Reference
Greenhouse Gas Emissions & Energy Resource Planning	IF-EU-110a.1	1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations and (3) emission inventory standards	Climate change, p.98-99 Decree of the President of the Russian Federation No. 666 of 04.11.2020 "On Reducing GHG Emissions" establishes the national contribution of the Russian Federation as part of the implementation of the Paris Agreement.

ADDITIONAL ESG DATA

Topic	Code	Accounting metric	Reference
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	Climate change, p.98-99
	IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Climate change, p. 89, 98
	IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfilment of RPS target by market	There are no requirements in Russia for the minimal share of renewable energy in the portfolio of generating companies.
Air Quality	IF-EU-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Environmental protection, p. 113 Additional ESG Data, p. 344 This category includes all pollutants specified by Russian legislation.
Water Management	IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Environmental protection, p. 114-115 Additional ESG Data, p. 344-345
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Environmental protection, p.112
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Environmental protection, p.108
Coal combustion residuals disposal	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	Environmental protection, p.117 Additional ESG Data, p. 347
	IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Additional ESG Data, p. 347
Energy affordability	IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Additional ESG Data, p. 341 The maximum electric rate for the residential customers is set in accordance with the directive of the Federal Antimonopoly Service of Russia.
	IF-EU-240a.2	Typical monthly electric bill for residential customers (breakdown by users of differentiated tariffs)	Additional ESG Data, p. 341 The maximum electric rate for the residential customers is set in accordance with the directive of the Federal Antimonopoly Service of Russia.
	IF-EU-240a.3	Number of residential customer electric disconnections for nonpayment, percentage reconnected within 30 days	Additional ESG Data, p. 341 The regulatory framework for disconnecting electricity is provided by Russian Federation Government Resolutions No. 354 and No. 442, which state that the contractor (organisation providing housing and utilities services), if there are legal grounds, terminates or suspends the provision of unpaid services.
	IF-EU-240a.4	Discussion of impact of external factors on affordability of electricity for customers, including the economic conditions of the service territory	Energy affordability is mainly determined by regional factors and maximum federal rates stipulated and controlled by the Federal Antimonopoly Service of Russia.
Workforce Health and Safety	IF-EU-320a.1	1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Additional ESG Data, p. 350-351
End-Use Efficiency & Demand	IF-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Not applicable
	IF-EU-420a.2	Percentage of electric load served by smart grid technology	Additional ESG Data, p. 341
	IF-EU-420a.3	Customer electricity savings from efficiency measures	The Company does not implement efficiency measures for electricity savings on the customer's side.
Emergency Preparedness and Response in the Field of Nuclear Safety	IF-EU-540a.1	Total number of nuclear power units	Not applicable
	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	Not applicable
Stability of Power Grids	IF-EU-550a.1	Number of incidents of noncompliance with physical and/or cybersecurity standards or regulations	Responsible business practices, p.236
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI)	Additional ESG Data, p. 341 According to the legislation of the Russian Federation, utilities must provide electricity without interruption. The Company has redundancy infrastructure and backup plans to ensure 24/7/365 availability. The regulatory framework for disconnecting electricity is provided by Russian Federation Government Resolutions No. 354 and No. 442.
Activity Metrics	IF-EU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served	Commercially sensitive information that may not be disclosed.
	IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	Commercially sensitive information that may not be disclosed.
	IF-EU-000.C	Length of transmission and distribution lines	Business model, p.22
	IF-EU-000.D	Total electricity generated, percentage by major energy source, percentage in regulated markets	Business model, p.22
	IF-EU-000.E	Total wholesale electricity purchased	Additional ESG Data, p. 340

Compliance of En+ results with the required thresholds under the EU taxonomy

As part of the Green Deal programme setting energy and climate targets, the European Commission has developed the EU Taxonomy, a classification system establishing a list of sustainable economic activities. The EU Taxonomy provides stakeholders with science-based evidence on the sustainability of economic sectors, which makes it possible to improve interaction, redirecting resources and investments towards climate change mitigation to make societies more resilient to environmental challenges. The EU Taxonomy is based on the Taxonomy pack for feedback published in August 2021.

Currently, the average value of all En+ smelters by a margin meets the updated criteria for checking technical parameters.

Name	Specific GHG emissions from electrolysis (Scope 1+2), t CO_2eq/t Al
En+ Metals segment, average	<3
EU Taxonomy mitigation benchmark[46]	<3
EU Taxonomy adaptation benchmark[47]	6

Topic	Metric and Required threshold	Reference/response
Aluminium production[48]	Criterion 1. Direct emissions for primary aluminium production is at or below the value of the related EU-ETS benchmark of 1.514 tCO_2e/t.	Direct GHG emissions per tonne in electrolysis operations are 1,99 t CO_2e/t Al. The calculation was performed in accordance with an internally approved methodology of determination of direct GHGs from primary aluminium production.
	Criterion 2. Electricity consumption for electrolysis is at or below 15.29 MWh/t (European average emission factor according to International Aluminium Institute, 2017).	Average electricity consumption at aluminium smelters of En+ Group is 14.71. Average indicator for KUBAL (Sweden), Alscon (Nigeria), Boguchansky Aluminium Smelter, Bratsk Aluminium Smelter, Volgograd Aluminium Smelter, Irkutsk Aluminium Smelter, Kandalaksha Aluminium Smelter, Novokuznetsk Aluminium Smelter, Sayanogorsk Aluminium Smelter, Nadvoitsy Aluminium Smelter, Krasnoyarsk Aluminium Smelter.
Production of electricity from hydropower	The activity complies with all of the following criteria: Emissions of pollutants contributing to acidification are lower than 0.05/0.15/0.10 kg SO2 aeq per 1 MWh of electricity output to the power grid or to directly connected customers. The life-cycle emissions of pollutants contributing to the photochemical ozone creation potential are lower than 0.05 kg C2H2 aeq per 1 MWh of electricity output to the power grid or to directly connected customers. The life-cycle emissions of pollutants contributing to the photochemical ozone creation are lower than 0.05 kg PO43 aeq per 1 MWh of electricity output to the power grid or to directly connected customers. The life-cycle emissions of PM10 are lower than 0.05 kg/per 1 MWh of electricity output to the power grid or to directly connected customers. The life-cycle emissions of PM10 are lower than 0.02 kg/per 1 MWh of electricity output to the power grid or to directly connected customers.	The Company does not conduct evaluation of GHG emissions for electricity produced from hydropower in accordance with the standards referenced in the EU Taxonomy. The Company performed calculations based on actual measurements and calculations carried out in accordance with the IHA (International Hydropower Association) methodologies.

[46] Scope 1 (1.5 t CO_2e/tAl) + Scope 2 (15.5 MWh/t Al * 0.1 t CO_2e/MWh) = 3.05 tCO_2e/t Al = ~ 3 tCO_2e/tAl.
[47] Scope 1 (1.5 t CO_2e/tAl) + Scope 2 (15.5 MWh/t Al * 0.27 tCO_2e/MWh) = 5.68 tCO_2e/tAl = ~ 6 tCO_2e/tAl.
[48] The topic is disclosed in accordance with the requirements of the Taxonomy Technical Report published in June 2019.

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Disclosure of the SECR requirements in the Report

The UK government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, when the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force. SECR extends the reporting requirements for quoted companies and mandates new annual disclosures for large partnerships and limited liability partnerships (LLPs) whose shares are not quoted on the market.

Topic	Requirement	Reference/response
GHG emissions	Annual global GHG emissions (global Scope 1 and 2 GHG emissions in tonnes of carbon dioxide equivalent including all seven gases included under the Kyoto Protocol) from activities for which the Company is responsible, including combustion of fuel and operation of any facility, and the annual emissions from the purchase of electricity, heat, steam or cooling by the Company for its own use	The greenhouse gases included in the calculations are listed in the Climate leadership section of the Report.
	Energy use and GHG emissions figures for the previous year (not included in the 1st year)	Climate leadership, p. 99 Energy management, p. 102
Intensity measurement	At least one emissions intensity ratio	Climate leadership, p. 99
Energy use	Underlying global energy use	Energy management, p. 102
Measures taken to improve energy efficiency	Narrative on energy efficiency measures	Climate leadership, p. 102-103
Quantification and reporting methodology	Details of the methodology used	The indicators on GHG emissions are evaluated in accordance with 2006 IPCC Guidelines and Methodological Guidance on the Quantification of Greenhouse Gas Emissions by Entities Engaging in Business and Other Activities in the Russian Federation (approved by Order No. 300 of the Ministry of Natural Resources and the Environment of Russia dated 30 June 2015).

ADDITIONAL ESG DATA

Contents by Sustainability Indexes

No.	Indicator	Reference/response
Responsibility and Transparency Index		
Economic, social and environmental indicators		
1	Labour productivity	Additional ESG data, p.330
2	CAPEX/investments	Financial review, p.57 Additional ESG data, p. 330
3	Taxes paid	Additional ESG data, p.330
4	High quality of products and services	Responsible business practices, p. 226
5	Share of purchases from local suppliers	Stakeholder engagement, p.224
6	Innovation management	The main areas of the Company's innovation activity are described, R&D costs are given, as well as information on some R&D projects Responsible business practices, p. 237-239 Additional ESG data, p. 360
7	Headcount	Employees, p.150 Additional ESG data, p. 353
8	Personnel characteristics	Employees, p.150 Additional ESG data, p. 353
9	Occupational health and safety (performance)	Occupational health and safety, p.126 Additional ESG data, p. 350-352
10	OHS costs	Additional ESG data, p. 351-352
11	Occupational health and safety management systems	Occupational health and safety, p. 126
12	Payroll	Employees, p.151 Additional ESG data, p. 356
13	Expenses on social programmes for personnel	Additional ESG data, p. 358
14	Number of beneficiaries of social programmes for personnel	Employees, p.143
15	Remuneration of management	Corporate governance, p. 195
16	Employee turnover	Employees, p.150 Additional ESG data, p. 355
17	Employee training	Employees, p.144 Additional ESG data, p.357
18	Employee training costs	Additional ESG data, p.357
19	Labour relations	Employees, p.138
20	Respect for human rights	Employees, p.143
21	Air emissions	Environmental protection, p. 113 Additional ESG data, p. 343
22	GHG emissions	Climate change, p.99 Additional ESG data, p.336
23	Energy consumption and energy efficiency	Energy management, p.102 Additional ESG data, p. 339-341
24	Water consumption (the indicator is irrelevant for entities operating in financial markets)	Environmental protection, p. 115 Additional ESG data, p.345
25	Discharges into water bodies (the indicator is irrelevant for entities operating in financial markets)	Environmental protection, p.115 Additional ESG data, p.345
26	Waste management	Environmental protection, p.117 Additional ESG data, p.346
27	Environmental costs	Environmental protection, p.112 Additional ESG data, p.342
28	Environmental management systems	Environmental protection, p.105-107
29	Recording and assessment of environmental risks of funded projects (the indicator is relevant for entities operating in financial markets. It is factored in instead of indicator No. 24, which is irrelevant for such entities. It is factored out for entities operating in other industries)	Not applicable

ADDITIONAL ESG DATA

No.	Indicator	Reference/response
30	Financing environmental projects and programmes (the indicator is relevant for entities operating in financial markets. It is factored in instead of indicator No. 25, which is irrelevant for such entities. It is factored out for entities operating in other industries)	Not applicable
31	Social investments	Contribution to local communities, p.167 Additional ESG data, p.358
Employees management and engagement		
32	Details of the Board of Directors: structure, independence, areas of activity, performance review	Corporate governance, p. 171-182
33	Involvement of senior management in administering CSR and sustainability issues	Sustainability management, p.76 Corporate governance, p. 179
34	Incorporation of sustainability risks into the key risk management system and events to mitigate sustainability risks	Internal control and risk management, p.204
35	New opportunities in the area of sustainable development	Automation and digitalisation, p.230-233 Cybersecurity, p.234-236
36	Availability of the code of ethics, its fundamental principles and incorporation mechanisms	Corporate ethics and compliance, p. 208
37	Anti-corruption: policy, mechanisms, activities, outcomes	Corporate ethics and compliance, p. 210
38	Availability of the corporate sustainability (CSR) policy: contents, reference to the document	Policies for each ESG aspect Sustainability management, p.76
39	Refinement of sustainability (CSR) approaches in corporate policies • in the area of environmental protection: contents, reference to the document • in the area of staff relations / HR policy (strategy): contents, reference to the document • in the area of occupational health and industrial safety: contents, reference to the document • in the area of community support (regional policy, external social policy): contents, reference to the document	Sustainability management, p.76 Occupational health and safety, p.176 Fundamental document: Health, Occupational, Industrial and Fire Safety Policy Environmental protection, p.104
40	CSR/sustainability management across the supply chain: policies, mechanisms, metrics	Stakeholder engagement, p. 222-223
41	Incorporation of CSR and sustainability KPIs in into the company's strategic KPI system	Corporate governance, p. 193 Sustainability management, p.76
42	Structure of managing CSR and sustainability activity	Sustainability management, p.76
43	Areas and formats of government relations, key programmes/projects	Contribution to local communities, p.153
44	Areas and formats of community engagement, key projects	Contribution to local communities, p.153
Indicators of the Sustainability Vector Index		
1	Workforce productivity rate	Additional ESG data, p.330
2	Occupational health, industrial safety	Occupational health and safety, p.126
3	Remuneration and expenses on social programmes for personnel	Employees, p. 140 Occupational health and safety, p.126 Additional ESG data, p. 359
4	Employee training	Employees, p. 144 Additional ESG data, p. 357-358
5	Employee turnover rate	Employees, p.150 Additional ESG data, p. 355
6	Air emissions	Environmental protection, p. 113 Additional ESG data, p. 343-344
7	GHG emissions	Environmental protection, p. 113 Additional ESG data, p. 336
8	Water consumption and discharges into water bodies (irrelevant for the financial sector) **Responsible financing**	Environmental protection, p. 114 Additional ESG data, p. 344

ADDITIONAL ESG DATA

9	Energy consumption and energy efficiency	Energy management, p. 100-103 Additional ESG data, p. 339-341
10	Waste management	Environmental protection, p. 116-117 Additional ESG data, p.346
11	Social investments	Contribution to local communities, p. 167
12	Governance (involvement of senior management in sustainability control)	Sustainability management, p.78 Corporate governance, p.179, 194
13	Risks and opportunities management	Internal control and risk management, p. 200-208
14	Focus of sustainability/CSR activity	Sustainability management, p.76

List of the key (basic) indicators of sustainability reporting in line with the recommendations of the Russian Ministry of Economic Development

No.	Indicator	Reference/response
1	Revenue (its equivalent)	Additional ESG data, p.330
2	Value added	Additional ESG data, p.330
3	Net value added	Additional ESG data, p.330
4	General R&D expenses	Responsible business practices, p. 226 Additional ESG data, p.361
5	Labour productivity	Additional ESG data, p.330
6	Statutory payments accrued (excluding fines and penalties), total, including: • taxes and levies; • insurance contributions; and • other statutory payments.	Additional ESG data, p.330
7	Statutory payments effected (excluding fines and penalties), total, including: • taxes and levies; • insurance contributions; and • other statutory payments.	Additional ESG data, p.330
8	Share of purchases of Russian goods, works and services in total purchases of goods, works and services	Not disclosed.
9	Share of purchases of goods, works and services from SMEs in total purchases from Russian entities	Partially disclosed (the share of purchases from SMEs in the total volume is disclosed). Additional ESG data, p. 361
10	Sustainable, including green, investments	Additional ESG data, p.330
11	Investments in projects related to achieving technological sovereignty and structural adaptation of Russia's economy	Additional ESG data, p. 330
12	Indicator of economic vulnerability of business and other activity to climate risks	Additional ESG data, p. 336
13	Amount of water used from all water supply sources	Environmental protection, p. 114 Additional ESG Data, p. 345
14	Amount of recycled and reused water supply	Environmental protection, p. 114 Additional ESG Data, p. 345
15	Amount of contaminated wastewater discharge, total, including untreated wastewater	Additional ESG Data, p. 345
16	Water use efficiency (specific water consumption)	Environmental protection, p. 114, 115 Additional ESG Data, p. 345
17	Waste of hazard classes I–V generated, total, including: • class I; • class II; • class III; • class IV; and • class V.	Partially disclosed (the breakdown of waste by hazard class of the Energy segment is disclosed). Environmental protection, p. 116-117 Additional ESG Data, p. 346
18	Waste of hazard classes I–V managed, total, including by category: • waste disposed of; • waste neutralised; • waste buried; • waste reused; • waste recycled; and • waste generation reduced.	Environmental protection, p. 116-117 Additional ESG Data, p. 346-347
19	Air pollutant emissions from stationary sources	Information from all sources has been disclosed. Environmental protection, p. 113 Additional ESG Data, p. 343
20	GHG emissions	Climate change, p. 99 Additional ESG Data, p. 336
21	Expenses on implementing environmental protection measures, total, including: • atmospheric air protection and climate change prevention; • wastewater collection and treatment; • waste management; and • conservation of biodiversity and protection of natural areas.	Environmental protection, p.112 Additional ESG data, p.342
22	Renewable and low-carbon energy consumption	Energy management, p. 102 Additional ESG Data, p.341.
23	Energy efficiency: energy consumption per unit of net value added	Additional ESG data, p.340
24	Payroll expenses, total	Additional ESG data, p.330
25	Average headcount, total, including the number of disabled persons	Employees, p.150 Additional ESG data, p.354 When calculating the indicator, a methodology different from that proposed by the Ministry of Economic Development was used.
26	Average salary, total, including: • by occupation groups; • by gender; and • by age groups.	Partially disclosed (when calculating the indicator, a methodology different from that proposed by the Ministry of Economic Development was used).
27	Expenses on occupational health and safety events, total, including on average per employee	Additional ESG data, p.351-352
28	Expenses on organising and holding social, fitness, recreational and medical events for employees and their family members	Additional ESG data, p. 358
29	Number of occupational accident victims with disability for one or more working days and with fatal outcome, including fatalities	Occupational health and safety, p.136 Additional ESG data, p. 350
30	Expenses on employees training, total, including on average per employee	Additional ESG data, p.358
31	Average hours of training per year per employee by occupation groups	Additional ESG data, p.358
32	Percentage of employees covered by collective bargaining agreements in the average headcount	Employees, p.142 Additional ESG data, p.356 When calculating the indicator, a methodology different from that proposed by the Ministry of Economic Development was used
33	Staff turnover rate	Employees, p.150 Additional ESG data, p.355 When calculating the indicator, a methodology different from that proposed by the Ministry of Economic Development was used.

ADDITIONAL ESG DATA

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34	Expenses on contributing to support for social programmes not aimed at employees and their family members, total, including: • charitable housing programmes; • in healthcare; • in education; and • in support for citizens in need of social assistance.	Contribution to local communities, p.167 Additional ESG data, p.359 When calculating the indicator, a methodology different from that proposed by the Ministry of Economic Development was used.
35	Availability of the sustainability policy and/or other related strategic documents	Policies for each ESG aspect
36	Number of Board meetings and attendance rate	Corporate governance, p.180
37	Number of Board members, total, including by age groups	Corporate governance, p.179
38	Number of the Audit Committee meetings and attendance rate	Corporate governance, p.188
39	Participation in ESG indices and ratings	Key figures, p. 12-13
40	Number of recorded cases of infringing the rights of indigenous minorities of the Russian Federation	Employees, p. 142
41	Percentage of employees holding positions exposed to high corruption risk	Not disclosed
42	Average hours of anti-corruption training per employee	Not disclosed
43	Cases of bringing the organisation, its subsidiaries and associates to administrative liability for corrupt practices	In 2023, the Company recorded three cases of corruption and fraud.
44	Share of female managers in the total number of managers, total, including on the Board of Directors (Supervisory Board)	Additional ESG data, p. 353

List of ESG indicators to be disclosed by entities engaged in the generation of electric (heat) power in line with the recommendations of the NP Market Council Association

No.	Indicator	Reference/response
1.1	Environmental management system	Environmental protection, p.106
1.2	Environmental violations, accidents or emergencies	Additional ESG data, p.343
1.3	Share of funds used to implement climate projects	Not disclosed For more details on En+ Group's climate projects and the Company's investments in their implementation, see the SDG Report for 2023
1.4	Share of funds used to implement environmental projects	Additional ESG data, p.343
1.5	Monitoring of the state and pollution of the environment during the implementation of climate projects	For more details on En+ Group's climate projects and the Company's investments in their implementation, see the SDG Report for 2023
1.6	Implementation of BAT	Environmental protection, p.105
1.7	Energy intensity	Energy management, p. 102
1.8	Reduced energy consumption (dynamics of the indicator by year)	Energy management, p. 102 Additional ESG data, p.340
1.9	Electricity generation efficiency *Specific fuel consumption for the generation of 1 MWh of electricity;* *Specific water consumption for the generation of 1 MWh of electricity.*	Additional ESG data, p. 339, 346
1.10	Share of renewable and low-carbon generating facilities in the structure of installed capacity of generating facilities (dynamics of the indicator by year)	Additional ESG data, p.341
1.11	Installed capacity utilisation rate of plants based on the use of renewable and low-carbon energy sources (weighted average value by plant) (dynamics of the indicator by year)	Additional ESG data, p.341 When calculating the indicator, a method different from the proposed one was used.

ADDITIONAL ESG DATA

No.	Indicator	Reference/response
1.12	Electricity generation using renewable and low-carbon energy sources (dynamics of the indicator by year)	Additional ESG data, p.341
1.13	Volume of heat production in the combined generation mode with renewable and low-carbon energy (dynamics of the indicator by year)	Additional ESG data, p.341
1.14	GHG emissions per 1 MWh of electricity generated (weighted average by plants) (dynamics of the indicator by year)	Additional ESG data, p.336 Climate change, p. 99 When calculating the indicator, a methodology different from that proposed by the Ministry of Economic Development was used.
1.15	GHG emissions attributable to the production of 1 Gcal of heat energy (dynamics of the indicator by year)	Not disclosed
1.16	Management of GHG emissions in the course of business operations *adaptation of the general regulatory methodology for quantifying direct and indirect GHG emissions to specific business conditions and regular quantification of such emissions;* *implementation of a program on GHG emissions reduction and/or increase in GHG removal* *compliance with best business practices;* *publication and verification of carbon reporting complying with Russian and international standards and requirements.*	Climate change, p.90-93
1.17	Self-diagnostics/diagnostics according to ISO 14001 and 14040	Environmental protection, p.106
1.18	Cumulative impact *Cumulative impacts mean impacts that arise as a result of additional impact on the area of activity or resources used in a project or directly affected by the impact of a project, as a result of other existing, planned or realistically established circumstances during the process of identifying risks and impacts.*	Additional ESG data, p.336
1.19	Efficient use of auxiliary resources, wastewater discharge	Additional ESG data, p.345
1.20	Waste management *Share of recycled and neutralised waste in the total amount of waste generated, %;* *Waste of hazard classes I-IV generated, % of the total volume.*	Environmental protection, p. 117 Additional ESG Data, p. 346-347
2.1	Compliance with the fundamental declarations, conventions and recommendations of the International Labour Organisation (ILO)	Employees, p.139
2.2	Regulation of labour relations and human rights	Employees, p.139, 142
2.3	Occupational health and safety policies and procedures	Occupational health and safety, p.126-127
2.4	Stakeholder engagement *Stakeholder engagement plan and policy;* *Disclosure of relevant information;* *Regular communication of information on ESG activities to the public.*	Stakeholder engagement, p.214
2.5	Self-diagnostics/diagnostics according to ISO 45001 (dynamics of the indicator by year)	Occupational health and safety, p.127
2.6	Indicators for monitoring and reporting (dynamics of the indicator by year): Number and structure of employees participating in activities related to a high risk of accidents or work-related ill health; • Number of hours of environmental training (rational use of resources) • Number of work-related injuries (including fatalities), types of injuries or work-related ill health; • Average number of training hours per year per employee, with a breakdown by gender (male and female). • Average number of hours of anti-corruption training per year per employee.	Additional ESG data, p. 350

ADDITIONAL ESG DATA

No.	Indicator	Reference/response
2.7	Ratio of entry-level wages of employees of different genders to the established minimum wage in the regions of presence of the company (with an indication of the average wage by region) (dynamics of the indicator by year)	Additional ESG data, p. 357
2.8	Investments in the social sphere of the company's employees (dynamics of the indicator by year)	Additional ESG data, p. 359
2.9	Occupational health and safety expenses (dynamics of the indicator by year)	Additional ESG data, p. 350
2.10	Investments in socially important infrastructure, regional, social and charitable programs in the regions of presence, including through joint programs with regional authorities and communities	Contribution to local communities, p.167
2.11	Annual expenses on employee training per employee	Employees, p.144 Additional ESG data, p.358
2.12	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employees, p.144
2.13	Categories of employees Share of employees under 35, % Share of working pensioners, %	Employees, p.150 Additional ESG data, p.353
2.14	Employee turnover	Additional ESG data, p.355
2.15	Employee performance and career development	Employees, p.144
2.16	Causes of equipment failures and accidents	Occupational health and safety, p.132, 134
2.17	Industrial safety and reliability risks	Occupational health and safety, p.132, 134
3.1	Involvement and the level of competence of the BoD/Management Board/executive bodies in the area of the sustainability and ESG agenda	Sustainability management, p.78 Corporate governance, p.179
3.2	Total expenditures on research and development aimed at improving energy efficiency, reducing greenhouse gas emissions and other beneficial effects in the area of climate and environment	Responsible business practices, p.237-238 Additional ESG data, p.360
3.4	Public non-financial reporting Preparation of an annual progress report on sustainable development (including ESG) in accordance with national and international standards and recommendations.	About the Report, p.4
3.5	Affiliates List of affiliated legal entities that may directly or indirectly affect the company's financial and non-financial performance.	The list of affiliated persons is available on the Company's website (https://enplusgroup.com/en/investors/other-regulatory-disclosures/list-of-affiliates/)
3.6	Cases of corruption	In 2023, the Company recorded three cases of corruption and fraud.
3.7	Effectiveness of management measures Assessment of the quality of work of the Board of Directors or another collegial management body.	Corporate governance, p. 182
3.8	GR work	Contribution to local communities, p. 153
3.9	Compliance risks Assessment of compliance with applicable laws, internal standards and other mandatory documents.	Corporate ethics and compliance, p. 210
3.10	Credit and ESG rating	Key events and indicators, p. 13
3.11	Asset management system	The asset management system is implemented partially. Based on the results of asset management, measures were developed to improve the efficiency of asset management.
3.12	Corporate governance system	Corporate governance, p. 171
3.13	Energy management system	Energy management, p. 100-103
3.14	Maintenance and repair management system	The maintenance and repair management system is implemented partially. Based on the results of energy management, measures have been developed to improve the effectiveness of maintenance and repair.
3.15	Environmental and social assessment of suppliers and contractors	Responsible business practices, p. 223

EXTERNAL ASSURANCE

GRI 2-5

NEW CHALLENGES
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Independent practitioner's assurance report

To the Board of Directors of EN+ GROUP IPJSC

Subject matter

We have been engaged by EN+ GROUP IPJSC (hereinafter "the Company") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, (herein "the Engagement"), to report on the "Sustainable development" section of EN+ GROUP IPJSC Consolidated Report and Appendix "Additional ESG data" (hereinafter "the Report") as of 31 December 2023 or for 2023 (hereinafter "the reporting period").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Under this engagement, we did not perform any procedures with regard to the following:

- Forward-looking statements on performance, events or planned activities of the Company;
- Statements of third parties included in the Report;
- Correspondence between the Report and recommendations of the Task Force on Climate-Related Financial Disclosures, the Streamlined Energy and Carbon Reporting technical guidelines, thresholds under EU Taxonomy, requirements and recommendations of the London Stock Exchange, compliance with Directive 2014/95/EU, compliance with Partnerships and Groups (Accounts and Non-Financial Reporting) Regulations 2016 n. 1245, compliance with Aluminium Carbon Footprint Technical Support Document prepared by the International Aluminium Institute.

Applicable criteria

In preparing the Report the Company applied Global Reporting Initiative Sustainability Reporting Standards (hereinafter "GRI Standards") ("in accordance" option), including reporting principles, Sustainability Accounting Standards Board standards (hereinafter "SASB standards") (hereinafter "the Criteria").

The Company's management responsibilities

The Company's management is responsible for selecting the Criteria, and for preparation of the Report in accordance with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Report, such that it is free from material misstatement, whether due to fraud or error. In addition, the Company's management is responsible for ensuring that the documentation provided to the practitioner is complete and accurate.

Practitioner's responsibilities

We conducted our assurance engagement in accordance with International Standard for Assurance Engagements (revised) *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (hereinafter "ISAE 3000"). ISAE 3000 requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Report is prepared in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Our independence and quality management

We apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, which requires our firm to develop, implement and ensure operation of quality management system that includes policies or procedures with regard to compliance with ethical requirements, professional standards and applicable laws and regulations.

We comply with the professional ethical and independence requirements of the Code of professional ethics for auditors and the Independence rules of auditors and audit organizations and also the IESBA Code of Ethics for Professional Accountants (including international independence standards), which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Summary of work performed

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within information technology systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Report and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Inquiries of the representatives of the Company management and specialists responsible for its sustainability policies, activities, performance and relevant reporting;
- Analysis of key documents related to the Company sustainability policies, activities, performance and relevant reporting;
- Obtaining understanding of the process used to prepare the information on sustainability performance indicators of the Company;
- Analysis of the Company stakeholder engagement activities reviewing the results of the stakeholder survey;
- Analysis of material sustainability issues identified by the Company and analysis of their reflection in the Report;
- Review of data samples regarding key human resources, environmental protection, energy consumption, climate change, health and safety, and procurement indicators for the reporting period, to assess whether these data have been collected, prepared, collated and reported appropriately;
- Remote review of the Joint Stock Company "RUSAL Novokuznetsk Aluminium Smelter" in the Metals segment and of the Irkutsk HPS of LLC "EuroSibEnergo-Hydrogeneration" in the Power segment, including interviewing managers and executives responsible for human resources, environmental protection, health and safety and gathering evidence supporting the assertions on the Company's sustainability policies, activities, events, and performance made in the Report;
- Collection on a sample basis of evidence substantiating other qualitative and quantitative information included in the "Sustainable development" section and Appendix "Additional ESG data" of the Report;
- Assessment of compliance of the Report and its preparation process with GRI reporting principles;
- Assessment of compliance of information and data disclosures in the Report with the requirements of the "in accordance" option of reporting with the GRI Standards (2021) and Electric Utilities and Power Generators Sustainability Accounting Standard (version 2023-12) and Metals and Mining Sustainability Accounting Standard (version 2023-12) prepared by SASB Standards Board.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Report is not prepared fairly, in all material respects, according to the Criteria.

M.S. Khachaturian
Partner
TSATR – Audit Services Limited Liability Company

24 April 2024

Details of the independent practitioner

Name: TSATR – Audit Services Limited Liability Company
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.
TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo".
TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the entity

Name: EN+ GROUP IPJSC
Record made in the State Register of Legal Entities on 9 July 2019, State Registration Number 1193926010398.
Address: Russia 236006, Kaliningrad, Oktyabrskaya street, 8, office 34.

ADDITIONAL ESG DATA

Glossary

Units of measurement

CO_2	Carbon dioxide
CO_2e	CO_2 equivalent
CO_2e/tAl	CO_2 equivalent per tonne of aluminium
ha	Hectare
GJ	Gigajoule
GJ/t	Gigajoules per tonne
GJ/MWh	Gigajoules per megawatt-hour
GW	Gigawatt (one million kilowatts)
GWh	Gigawatt-hour (one million kilowatt-hours)
Gcal	Gigacalorie, a unit of measurement for heating energy
Gcal/h	Gigacalorie per hour, a unit of measurement for heating power capacity
USD	US dollar
kA	Kiloampere
kV	Kilovolt
kWh	Kilowatt-hour, a unit of energy produced
km	Kilometer
m^3	Cubic meter
mn	Million
bn	Billion
mn t	Million metric tonnes
mn t of CO_2	Million metric tonnes of carbon dioxide in CO_2e
MW	Megawatt (one thousand kilowatt), a unit of measurement for electrical power capacity
MWh	Megawatt-hour (one thousand kilowatt-hours)
MJ	Megajoules
p.p.	Percentage point
RUB	Russian rouble
t, tonne	One metric tonne (one thousand kilograms)
TWh	Terawatt-hour
'000	thousand
'000 t	Thousand metric tonnes
'000 t/year	Thousand tonnes per year
'000 t CO_2	Thousand metric tonnes of carbon dioxide in CO_2 equivalent
h	Hour

Terms and abbreviations

ALLOW	RUSAL's aluminium brand with an independently verified low carbon footprint. Carbon footprint is less than 2.3 t of CO2e per tonne of aluminium (Scope 1 and 2)
APQP	Advanced Product Quality Planning
ASI	Aluminium Stewardship Initiative
Aughinish	Aughinish Alumina Refinery, Aughinish Alumina, or Aughinish Alumina Limited, a wholly owned subsidiary of RUSAL incorporated in Ireland
B20	Business 20
CCUS	Carbon capture, use and storage technology
CEO	Chief Executive Officer
CDP	Carbon Disclosure Project
CPLC	Carbon Pricing Leadership Coalition

ADDITIONAL ESG DATA

CO	Carbon monoxide
Cobad	Cobad S.A., a subsidiary of RUSAL incorporated in Guinea
CPLC	Carbon Pricing Leadership Coalition
DTR	FCA Disclosure Guidance and Transparency Rules
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPC contracts	Engineering, procurement, and construction contracts
ESG	Environmental, social and governance
FCA	The UK's Financial Conduct Authority
FCPA	US Foreign Corrupt Practices Law
FFI	Fauna & Flora International
GHG	Greenhouse gases
GRI	Global Reporting Initiative
G20	Group of Twenty
HR	Human Resources Department
IAI	International Aluminium Institute
IATF 16949	IATF 16949 — a quality management system for organisations in the automotive industry, using the Advanced Product Quality Planning (Production Part Approval Process) approach
ICC	International Chamber of Commerce Russia
IHA	International Hydropower Association
IPCC	Intergovernmental Panel on Climate Change
IPO	Initial public offering
ISO 9001	ISO 9001:2015 — international standard "Quality management systems — Requirements", which has been developed by the International Organisation for Standardisation to set criteria for quality management systems and which is the only standard for certification in quality management
ISO 14001	ISO 14001:2015 — international standard "Environmental management systems — Requirements with guidance for use", which has been developed by the International Organisation for Standardisation to set criteria for environmental management systems and which is the basis for certification
ISO 45001	ISO 45001:2018 international standard "Occupational health and safety management systems – Requirements with guidance for use", which has been developed by the International Organisation for Standardisation to set criteria for OHS management systems and which is the basis for certification
KUBAL	Kubikenborg Aluminium AB, a wholly owned subsidiary of RUSAL incorporated in Sweden
LTIFR	The Lost Time Injury Frequency Rate calculated by the Group as the sum of fatalities and lost time injuries per 200,000 man-hours
-	Not applicable
OFAC	The Office of Foreign Assets Control of the US Treasury
PEFA	Primary Equivalent Foundry Alloys
SASB	Sustainability Accounting Standards Board
SECR	Streamlined Energy and Carbon Reporting
SSP	Shared Socioeconomic Pathways
TCFD	Task Force on Climate-Related Financial Disclosures
UN Energy	The United Nations inter-agency mechanism on energy issues. Its goal is to form a coherent approach to sustainable energy
UNFCCC	The United Nations Framework Convention on Climate Change
JSC	Joint-stock company
BAZ	Bogoslovsky Aluminium Smelter
BoAZ	Boguchany Aluminium Smelter (BoAZ) project involves the construction of a 600,000 tpa greenfield aluminium smelter on a 230 hectare site, located approximately 8 km to the south-east of the settlement of Tayozhny in the Krasnoyarsk Region and approximately 160 km (212 km by road) from the Boguchany HPP
BrAZ	Bratsk Aluminium Smelter or PJSC RUSAL Bratsk, a wholly owned subsidiary of RUSAL incorporated under the laws of the Russian Federation
BRICS	Brazil, Russia, India, China and South Africa

ADDITIONAL ESG DATA

RES	Renewable energy sources
GHG emissions (Scope 1)	Direct greenhouse gas emissions from sources owned or controlled by the Company, e.g., emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment. Direct CO_2 emissions from the combustion of biomass are not included in Scope 1, as they are reported separately
GHG emissions (Scope 2)	Indirect energy greenhouse gas emissions. Scope 2 accounts for GHG emissions resulting from the generation of heat and electricity purchased for the Company's own needs. Purchased heat and electricity is defined as electricity that is purchased or otherwise brought into the organisational boundary of the Company. Scope 2 emissions physically occur at the facility where heat and electricity are generated
GHG emissions (Scope 3)	Greenhouse gas emissions from activities of assets not owned or controlled by the Company, but on which it indirectly impacts in its value chain. The emissions include all sources outside the boundaries of Scope 1 and 2, including those associated with the extraction and production of purchased materials, fuels and services, transportation, outsourced activities, waste disposal, etc.
UN Global Compact	United Nations Global Compact
GDR	Global Depositary Receipt
Hybrid perovskite	Class of semiconductors that combines the advantages of organic and inorganic semiconductors, which is a more competitive material for solar cells than silicon
HPP	Hydropower plant
Directorate for Control	Directorate for Control and Internal Audit
EuroSibEnergo	JSC EuroSibEnergo is a 100% subsidiary of En+ Group, managing its power assets
EU	European Union
Ore Reserves	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Relevant assessments and studies were carried out taking into account the impact of realistically assumed factors related to mining and metallurgical activity, as well as economic, marketing, social and government factors and the changes caused by them. These assessments demonstrate that extraction could reasonably be justified at the time of reporting. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves. PROBABLE ORE RESERVE The economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Relevant assessments and studies were carried out taking into account the impact of realistically assumed factors related to mining and metallurgical activity, as well as economic, marketing, social and government factors and the changes caused by them. At the time of reporting, these assessments demonstrate that extraction could reasonably be justified. PROVED ORE RESERVE The economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Relevant assessments and studies were carried out taking into account the impact of realistically assumed factors related to mining and metallurgical activity, as well as economic, marketing, social and government factors and the changes caused by them. At the time of reporting, these assessments demonstrate that extraction could reasonably be justified.
ILM&T	Institute of Light Materials and Technologies
IrkAZ	Irkutsk Aluminium Smelter, a branch of RUSAL Bratsk in Shelekhov (Russia)
Irkutskenergo	Irkutsk Public Joint Stock Company of Energetics and Electrification, a power generating company controlled by En+ by more than 30% of Irkutskenergo's issued share capital
INRTU	Irkutsk National Research Technical University
ETC (RUSAL)	Engineering and Technology Centre
IESK	JSC Irkutsk Electric Grid Company
Kaizen	An approach that promotes continuous process improvement. It is based on creating a corporate culture based on communication and cooperation between employees for incremental process improvements
KAZ	Kandalaksha Aluminium Smelter, a branch of JSC RUSAL Ural
CCA	Competitive capacity auction
Compliance Committee	Compliance Committee of the Company's Board of Directors

ADDITIONAL ESG DATA

Corporate Governance Committee	Corporate Governance Committee of the Company's Board of Directors
Nominations Committee	Nominations Committee of the Company's Board of Directors
Remuneration Committee	Remuneration Committee of the Company's Board of Directors
HSE Committee	Health, Safety and Environment Committee
KPI	Key performance indicator
KrAZ	Krasnoyarsk Aluminium Smelter or JSC RUSAL Krasnoyarsk, a wholly owned subsidiary of RUSAL incorporated under the laws of the Russian Federation
TL	Transmission line
MSU	Lomonosov Moscow State University
IPCC	Intergovernmental Panel on Climate Change
Management Team	Executive Directors and Officers of the Company
Metals segment	The Metals segment is represented by UC RUSAL (56.88% owned by En+ Group). The power assets of UC RUSAL are also included into the Metals segment
Six Sigma Methodology	A set of quality control tools based on the analysis of limits of errors or defects. The purpose of the process is to improve the cycle time while reducing production defects
Mineral Resources	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Relevant assessments and studies were carried out taking into account the impact of realistically assumed factors related to mining and metallurgical activity, as well as economic, marketing, social and government factors and the changes caused by them. At the time of reporting, these assessments demonstrate that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves. PROBABLE ORE RESERVE The economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Relevant assessments and studies were carried out taking into account the impact of realistically assumed factors related to mining and metallurgical activity, as well as economic, marketing, social and government factors and the changes caused by them. At the time of reporting, these assessments demonstrate that extraction could reasonably be justified. PROVED ORE RESERVE The economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Relevant assessments and studies were carried out taking into account the impact of realistically assumed factors related to mining and metallurgical activity, as well as economic, marketing, social and government factors and the changes caused by them. At the time of reporting, these assessments demonstrate that extraction could reasonably be justified.
IUCN	International Union for Conservation of Nature and Natural Resources
IFRS	International Financial Reporting Standards
NGZ	Mykolaiv Alumina Refinery Company Limited, a company incorporated under the laws of Ukraine, which is a wholly-owned subsidiary of RUSAL
R&D	Research and development
NPO	Non-profit organisation
NkAZ	Novokuznetsk Aluminium Smelter or JSC RUSAL Novokuznetsk, a company incorporated under the laws of the Russian Federation, which is a wholly owned subsidiary of UC RUSAL
New Energy	The New Energy Programme involves large-scale overhaul and replacement of the core equipment at the Company's largest Siberian HPPs, i.e. Krasnoyarsk, Bratsk, Irkutsk and Ust-Ilimsk. The programme provides for the modernisation of hydroelectric generation units and the replacement of runners
Norilsk Nickel	MMC NORILSK NICKEL PJSC, incorporated under the laws of the Russian Federation
OJSC	Open Joint-Stock Company
LLC	Limited Liability Company
UN	United Nations Organisation
SPNAs	Specially protected natural area(s)
GSM	General shareholders meeting

ADDITIONAL ESG DATA

OHS	Occupational health and safety
HSE	Health, safety and environment
OECD	Organisation for Economic Co-operation and Development
GHG	Greenhouse gases
Listing Rules	The Listing Rules published by the UK's Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (as amended) and the FCA's Disclosure Guidance and Transparency Rules
RA	Rating agencies
RAS	Russian Academy of Sciences
RSPP	Russian Union of Industrialists and Entrepreneurs
DAM, Day-Ahead Market	The competitive selection of price bids of suppliers and buyers conducted by ATS a day before the actual delivery of electricity with the determination of prices and volumes of delivery for each hour of the day
RUSAL Kremny Ural	RUSAL Kremny Ural LLC (formerly SU-Kremny LLC), an indirect subsidiary of RUSAL that is not a 100% subsidiary
RUSAL, Metals segment	United Company RUSAL Plc, a limited liability company incorporated under the laws of Jersey (56.88% owned by En+)
RUSAL SAYANAL	JSC RUSAL SAYANAL, a subsidiary of RUSAL incorporated under the laws of the Russian Federation
RusHydro	RusHydro PJSC (Public Joint-Stock Company Federal Hydro-Generating Company – RusHydro) organised under the laws of the Russian Federation, an independent third party
SAZ	Sayanogorsk Aluminium Smelter or JSC RUSAL Sayanogorsk, a wholly owned subsidiary of the Company, incorporated under the laws of the Russian Federation
OFAC Sanctions	The designation by OFAC of certain persons and certain companies which are controlled or deemed to be controlled by some of these persons into the Specially Designated Nationals List
ICS	Internal control system
SignAL	En+ corporate 24-hour hotline
PPE	Personal protective equipment
5S system	Methodology of lean and safe organisation of workplaces to create a comfortable working environment, increase productivity and reduce production waste
SAP system	Systems Analysis and Program Development
SKAD	The largest Russian company producing cast automotive wheels from aluminium alloys
Adjusted EBITDA	For any period of time, represents the operating result adjusted for depreciation, impairment of non-current assets and losses on the sale of property, plant and equipment for the relevant period
Adjusted net profit	For any period, is defined as the net (loss)/profit adjusted for the net effect of the Company's investment in Norilsk Nickel, the net effect of derivative financial instruments and the net effect of non-current assets impairment
QMS	Quality management system
SMR	JSC Management Company Soyuzmetallresurs
CIS	Commonwealth of Independent States
Board of Directors, BoD	Board of Directors of the Company
Market Council	A non-profit organisation formed as a non-profit partnership uniting, on the basis of membership, electric power entities and large electric power consumers. The tasks of the Council are to ensure the proper functioning of the commercial infrastructure of the market and the effective relationship between the wholesale and retail electricity markets, the creation of favourable conditions for attracting investments in the electric power industry; creating equal conditions for wholesale and retail market participants when developing regulatory documents on the functioning of the electric power industry, and ensuring the self-regulation of the system of wholesale and retail trade in electric power, capacity, other goods and services permissible in the wholesale and retail electricity markets. The goal of the Council is to ensure the energy security of the Russian Federation, the unity of the economic space, freedom of economic activity and competition in the wholesale and retail electricity markets by balancing the interests of producers and buyers and meeting needs of the society in terms of having a reliable and stable source of electrical energy
POP	Persistent organic pollutants
PMS	Production management system
SPP	Solar power plant

ADDITIONAL ESG DATA

CBAM	Carbon Border Adjustment Mechanism
TPP	Thermal power plant
UAZ	Urals Aluminium Smelter, a branch of JSC RUSAL Ural
KhAZ	Khakas Aluminium Smelter
UN SDGs	United Nation's Sustainable Development Goals
Net debt	The sum of outstanding loans, borrowings and bonds less total cash and cash equivalents as at the end of the relevant period
Eco-Søderberg	Eco-Søderberg is a technology developed by RUSAL to produce aluminium in modernised electrolysers, the main advantage of which is the use of environmentally friendly mass with low pitch content
EN+, En+, Company, Group	International Public Joint Stock Company EN+ GROUP/IPJSC EN+ GROUP and its subsidiaries, whose results are included in the consolidated financial statements prepared in accordance with the International Financial Reporting Standards
Power segment	The Power segment is predominantly comprised of power assets and operations owned by En+ Group. The Power segment engages in all aspects of the power industry, including electric power generation, power trading and supply
UNESCO	The United Nations Educational, Scientific and Cultural Organisation

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Limitation of liability GRI 2-1 GRI 2-2

Unless otherwise stated, the information presented in the Report reflects the Company's status during the review period from 1 January 2023 to 31 December 2023 (the "Review Period") and, in some instances, discloses significant events that took place up to the moment of publication of this report. Therefore, all forward-looking statements, analyses, reviews, discussions, commentaries and risks presented in the Report (save for this section, or unless otherwise specified) are based upon information on the Company covering the Review Period only.

The Report includes statements that are, or may be deemed to be, forward-looking statements. In the Report, information about Company's strategy, plans, objectives, goals, future events, or intentions as well as the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" in various forms shall indicate forward-looking statements. Nevertheless, forward-looking statements may and often do vary from the Company's actual results. Any forwardlooking statements are exposed to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth, or strategies.

The data presented in the Report on industry, market and competitive position comes from official or third-party sources. It is generally stated that the data from any third-party industry publications, studies and surveys was obtained from the sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Although the Company reasonably believes that each of these publications, studies and surveys was prepared by a reputable party, neither the Company nor any of its respective directors, officers, employees, agents, affiliates, advisors, or agents, have independently verified the data contained therein. Moreover, certain industry, market and competitive position data reflected in the Report comes from the Company's internal research and estimates based on the knowledge and expertise of the Company's management. Although the Company reasonably believes that such research and estimates are accurate, they and their fundamental methodology and assumptions have not been verified for accuracy by any independent source.

After the Report was prepared, the Company's operations, its operating and financial results may have been affected by external or other factors, including the geopolitical conflict in Ukraine and sanctions imposed by the other nations against the Russian Federation, Russian individuals and legal entities. These and other factors are beyond the Company's control and may have a negative impact on the producing capabilities of En+.

The Report was preliminarily approved by the En+ Group's Board of Directors

25.04.2024

(Minutes N°73)

This Report was approved by the En+ Group's general shareholders meeting

26.06.2024

(Minutes N°5)

General Director
Mikhail Khardikov