

Current Report

No. 39/04.08.2020

To: Financial Supervisory Authority
Bucharest Stock Exchange

Current report in compliance with the stipulations of the Law no. 24/2017 and of the FSA Regulation no.5/2018 regarding the issuers of financial instruments and market operations

Date of report: **04 August 2020**

Name of issuer: **Alro S.A.**

Headquarters: **Slatina, 116 Pitesti Street, Olt County**

Telephone/ fax number: **+40 249 431 901 / +40 249 437 500**

Sole registration number at the Trade Register Office: **RO 1515374**

Trade Register Number: **J28/8/1991**

The European Unique Identifier (EUID): **ROONRCJ28/8/1991**

Legal Entity Identifier (LEI): **5493008G6W6SORM2JG98**

Subscribed and paid-in share capital: **356,889,567.5 RON**

Regulated market on which the issued shares are traded: **Bucharest Stock Exchange – Premium Tier Category** (market symbol: **ALR**)

We hereby inform all persons who may be interested about the following **important event to be reported**:

Press release

ALRO Group reaffirms its commitment to sustainable development and circular economy

- In 2019, ALRO's *levels of carbon intensity and indirect emissions* were significantly below the European average, thus placing it in the top of companies with low environmental impact
- ALRO is number one for *Safety in Smelting* according to the “2019 Safety Statistics Report” issued by European Aluminium, which is an important recognition of the Company's consistent efforts to create a safe working place for its employees
- The *Group has over 3,600 suppliers* and its sourcing activity annually generates significant expenditures that are mainly redirected locally
- Promoting the practices and principles of corporate social responsibility, just in 2019, the Group implemented over *45 initiatives for local communities and its employees*, and since the beginning of the *sanitary crisis has donated almost RON 650,000* to institutions and organizations involved in preventing and fighting against COVID-19

- **Committed to improving its governance to the latest regulations and best practices, ALRO is one of the Bucharest Stock Exchange top performers, scoring 9.5 points out of 10 in the VEKTOR evaluation**

Slatina, 4 August 2020 – ALRO S.A. (BSE: ALR, “the Company” or “ALRO”), one of the largest vertically integrated aluminium producers in Europe, measured by production capacity, published its third Consolidated Sustainable Value Report for 2019, which provides a transparent and detailed overview of the Group’s efforts around the key environmental, social and governance areas that are important to its investors, employees, customers and other stakeholders.

In the light of the latest legislative changes at European level, the Group is committed to comply to and adapt its development strategies and programs. ***“In 2019 we continued to implement measures, to create systems and to make progress in integrating sustainability into everything we do, with the ambition of becoming a green factory, innovative and sustainable, and of achieving our goal of near to zero emissions and waste with the help of the state-of-the-art technologies”***, said Marian NĂSTASE, Chairman of the Board of Directors of ALRO. ***“In the next period, we will focus on increasing the production mix in favour of high and very high value-added products and continuing investing in energy efficiency”***, added Marian NĂSTASE.

2019 Sustainable Value Report of ALRO Group was prepared with the support of INNOVA Project Consulting as an external sustainability consultant, <https://www.innovaconsulting.ro/en/>.

“We are delighted to have had the opportunity to support the preparation of the ALRO Group 2019 Sustainable Value Report, a Group with tradition in the aluminium sector, which in recent years has demonstrated that sustainability and innovation play an important role in its development”, said INNOVA Project Consulting Management team.

The Group continued in 2019 to implement energy efficiency programs and to integrate circular economy principles in its business through extensive R&D investments, two example being ALUM’s project to transform red mud into a viable product for other industries and ALRO’s partnership with Rio Tinto Aluminium Pechiney regarding the relining of its pots with the AP12LE technology, which is expected to significantly increase the Company’s energy efficiency.

Following the same direction of increasing efficiency and reducing the effects of the Company’s activity on the environment and capitalizing on new opportunities, ALRO continued to increase the volume of recycled and re-melted aluminium scrap, reaching a level of 400,000 tonnes of processed scrap since 2013 and a level of 10 million tonnes of electrolytic aluminium produced since 1965, when it started production. One of the Company’s main goals is to increase the total processing capacity of its Eco-Recycling Facility to 100,000 tonnes per year. By processing the aluminium scrap and increasing the recycling rate, ALRO reduces its dependence on the supplied electricity, as the energy consumption for the supplementary recycled quantities decreases by 95% compared with the electrolytic aluminium. In this way, ALRO is increasing its competitiveness by using the best available technologies, which are in line with the EU requirements for creation of one circular, sustainable aluminium industry.

Through investments in product technology, ALRO has achieved an energy efficiency of 99% for electrolysis technology and according to studies, it will be in top 4 at European level in terms of energy efficiency in the electrolysis area. As part of the same program to streamline activity and reuse resources, the Company has implemented various projects that have

improved the water management system, optimized water production and treatment and made it possible to reuse almost 90% of used water.

As one of the pillars of the Romanian economy, ALRO Group bears a particular responsibility for the environment as well as for the society. For this reason, management has a holistic approach to sustainability along the entire value chain. Therefore, ALRO seeks to ensure an ethical, safe and healthy local business environment, having over 3,600 suppliers at Group level. The Group's sourcing activity annually generates significant expenditures that are mainly redirected locally, thus ensuring the wealth of the communities where the Group activates. Moreover, in the COVID-19 context, the Group reaffirmed its commitment towards the society, employees and their families and made several donations in money and medical equipment to both local and national institutions involved in preventing and fighting against the coronavirus spreading.

Willing to comply with the changing European legislation and to meet its stakeholders' expectations, ALRO included not only the activities and achievements in the ESG field mentioned above, but also its aspirations to become a green, innovative factory in its **2019 Consolidated Sustainable Value Report**, which is available on the Company's website: <http://www.alro.ro/en/sustainability-reports>.

For further information, please contact:

www.alro.ro

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Notes to the Editors:

ALRO Group

The companies part of ALRO Group are: ALRO S.A. – manufacturer of aluminium, Alum S.A. – producer of alumina, Sierra Mineral Holdings I, Ltd. – bauxite mining, Vimetco Extrusion S.R.L. – extrusion business line, Conef S.A. – holding and management company, Global Aluminium Ltd. – holding company and Bauxite Marketing Ltd - marketing. Having this structure, the Group created an integrated production chain assuring the raw materials for ALRO.

ALRO

ALRO is a subsidiary of Vimetco N.V., a global, vertically-integrated primary and processed aluminium producer. ALRO is one of the largest vertically integrated aluminium producers, by capacity, in Europe, having an installed production capacity of 265,000 tonnes of electrolytic aluminium per annum, 35,000 tonnes of recycled aluminium, and 325,000 tonnes primary cast aluminium per annum.

The main market for ALRO products is represented by the European Union; the Company exports its products to the USA and Asia, as well. ALRO is ISO 9001 certified for quality management and has NADCAP and EN 9100 certificates for aerospace production organizations, ALRO's products adhere to the quality standards for primary aluminium on the LME, as well as international standards for flat rolled products.

Starting from 18 March 2019, the Index Committee of the Bucharest Stock Exchange approved the inclusion of ALRO (code ALR) in BET, the main index of the market, and in BET-TR, the total return version of BET. ALRO's shares have been listed on the Bucharest Stock Exchange since October 1997 and following this decision ALRO became the first company in the aluminium industry present in these two indices.