

Current Report

To: The Financial Regulating Authority
Bucharest Stock Exchange

No. 39/31.05.2018

Current report in compliance with Regulation no. 1/2006 of NSC

Date of report: **May 31, 2018**

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

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

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

Tax 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-Standard Category** (market symbol: **ALR**)

Press Release

ALRO Group continues its investments in energy efficiency, environmental & social protection and sustainability

- **ALRO Group launched its first Sustainability Report for financial year 2017, also covering the last five years of activity for its most important topics**
- **Over the past five years, the Company reduced its energy consumption and saved almost 1,000TJ which represents the equivalent of the annual energy consumption of a city with two million inhabitants**
- **Since 2012, ALRO recycled more than 300,000 tonnes of aluminium scrap, enough to produce 30 million bicycles**
- **ALRO Group invested almost 10 million US dollars in projects aimed at reducing Greenhouse Gas (GHG) Emissions since 2012**
- **In 2017, ALRO set up the first dual professional education class, which will qualify 27 students in the field of industrial mechanics: project also continued in 2018**
- **ALRO and ALUM represent one of the biggest employers in Slatina and Tulcea, while SMHL represents a major contributor for the local community**

Slatina, 31 May 2018 – ALRO S.A. (BSE: ALR, “the Company” or “ALRO”), one of the largest vertically integrated aluminium producers, by capacity in Europe, launched its first consolidated Sustainability Report (the ‘Report’) for financial year 2017. The data included in this Report is covering, among others, ALRO Group (the ‘Group’) achievements related to environment, health and safety, education and involvement in the local communities with a focus on ALRO, the Parent-Company.

“We are proud of our Group’s sustainability efforts, as well as the progress we’ve made toward our goals”, said Marian Năstase, ALRO Chairman of the Board of Directors. *“We remain committed to the objectives of the European Aluminium Sustainability Roadmap and we take environmental stewardship very seriously. Reducing the environmental impact of our activities, the efficient utilisation of resources and energy efficiency are amongst our strong commitments throughout the whole aluminium value chain”,* continued Marian Năstase.

ALRO Group has implemented and continues to implement measures to reduce energy consumption in the aluminium production process. In addition, it operates a production facility that uses aluminium scrap, which enables further reductions to be achieved in energy consumption and actively contributes to recycling, aluminium being a highly malleable and highly recyclable metal that can be endlessly reused. Moreover, the Group is aiming to maximize the opportunities to reuse or recycle all wastes to minimize its impact and this is how it managed, for example, from the total quantity of hazardous waste generated, about 81% of it to be recycled and almost 15% to be recovered.

ALRO’s investments in its aluminium Eco Recycling Facility also supported the Group’s strategy to reduce electricity consumption, but also its environmental footprint. In 2017 alone, ALRO recycled almost 80,000 tonnes of aluminium scrap, achieving an increase of 46% when compared to 2013 and of almost 20% against 2016 level. Over the last five years, ALRO recycled more than 300,000 tonnes of aluminium scrap, enough to produce 30 million bicycles. Additionally, ALRO’s investments of more than six million euro in energy efficient technology have resulted in a significant reduction of energy consumption, by almost 1,000 TJ in the last five years. Thanks to constant investments and improvements in energy efficiency done within the entire Group, as well, the other subsidiaries reported also improved results. Thus, Alum achieved a reduction in energy intensity of 15.77% in 2017, compared to the 2013 level, while Vimetco Extrusion achieved a reduction in energy intensity of 25.77% and SMHL achieved a remarkable reduction in energy intensity of 66.67%, respectively compared to 2013 level. Moreover, the main Group subsidiaries invested in reducing the water consumption, commissioning high performance water treatment and recirculation stations, achieving a combined decrease by more than 1.7 million mc, meaning the annual consumption of a city with over 270,000 inhabitants.

“We place sustainability at the core of our actions and we are constantly working towards improving our energy, emissions and water consumption efficiency”, said Gheorghe Dobra, CEO ALRO. *“Thankfully, aluminium is a highly malleable and highly recyclable metal that can be endlessly reused, therefore we use a lot of recycled material for our products. The health and safety of our colleagues is one of our most important concerns and we are constantly working towards improving our performance; the target of zero accidents in our work remains one of our highest priorities. In this sense, we have implemented a strong and well-structured health and safety management system that ensures safe working conditions for our colleagues, better work performance and more efficient results. We also attach great importance to the relentless development of a culture of training and accident prevention”,* continued Gheorghe Dobra.

Besides the investments in technology, the Group also supports the continuous professional development of its employees through periodical training, qualification and certification programmes. ALRO also invests in the new generation of specialists in the aluminium industry, having set up the first dual professional education class, which is going to qualify 27 students in the field of industrial mechanics. This project is to be continued in 2018 with a further class of 28 students. During recent years, the Group has signed several partnerships and supported activities in cultural, sports, educational and social areas and offered sponsorships for events and actions with a cultural, educational or humanitarian scope.

All Group companies are major contributors to the local communities where they operate having a significant direct and indirect impact both from an economic and social perspective, ALRO and Alum being one of the biggest employers in Slatina and Tulcea, while being at the same time important engines for the local economies. Vimetco Extrusion, the only extrusion processing business line in Romania, represents also an important company and community member for Slatina, while SMHL business in Sierra Leone has improved the life of the people working there being an active member within the local communities and a special attention is paid to the environmental protection and to the social projects for the local community development.

ALRO Group Sustainability Report for financial year 2017 is available on ALRO's website, section About ALRO - Corporate Social Responsibility.

For further information, please contact:

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Notes to the Editors:

ALRO

ALRO or "the Company" is 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 with an installed production capacity of 265,000 tpa.

The main markets for ALRO products are the European Union and 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.

ALRO GROUP

ALRO S.A. and its subsidiaries are collectively referred to as "ALRO Group" or "the Group". The companies part of ALRO Group are: Alro S.A. – the aluminium producer, Alum S.A. – the alumina producer, Sierra Mineral Holdings I, Ltd. – the bauxite mining company, Vimetco Extrusion S.R.L. – extrusion processing business line, Conef S.A. – Alro share portfolio management, Global Aluminium Ltd. – holding entity and Bauxite Marketing Ltd. Having this structure, the Group created an integrated production chain, assuring the raw materials for ALRO.