TRANSFORMING THE VISION

Sustainability report 2020

RUSAL

CONTENTS

AT A GLANCE

About RUSAL

GRI 102-1, GRI 102-2

RUSAL[1] is a leading company in the global aluminium industry and the largest producer of low-carbon aluminium using renewable energy.

We are[2] a low-cost, vertically integrated aluminium producer. In 2020, the Company accounted for around 5.8% of global production of aluminium and 6.5% of alumina production.

RUSAL's enterprises, with a headcount of over 50,000, operate in 13 countries across the world and five continents, with a presence in Russia, Kazakhstan, Australia, Armenia, Guyana, Ireland, Sweden, Guinea, Italy, Nigeria, and Jamaica.

RUSAL ordinary shares are traded on the Hong Kong Stock Exchange and the Moscow Exchange.

One of the strategic goals of Company is social and corporate responsibility and contributing to a green and low-carbon economy. Therefore, the Company uses more than 98% of electricity from renewable sources for aluminium production, and the introduction of innovative and energy-saving technologies makes it possible to reduce greenhouse gas emissions at all production stages.

RUSAL was one of the first in the world to produce green metal, known as the ALLOW brand – low-carbon aluminium produced using renewable hydropower. ALLOW comes with a carbon footprint of no more than 4t CO_2 eq/t Al[3]. Assessments of the Company's carbon footprint are made independently by a third party on an annual basis.

[1]United Company RUSAL, international public joint-stock company, together with its subsidiaries, is referred to in the RUSAL Sustainability Report 2020 as the "Company" or "RUSAL". For a full list of subsidiaries, see the section headed "About the Report" hereto.
[2]For more information, see https://rusal.ru/en/
[3]Level 1 emissions. As defined in the Aluminium Carbon Footprint Technical Support Document – Level 1: Emissions from aluminium electrolysis, aluminium ingot casting, anode/paste production, as well as emissions from electricity generation and heat production associated with these processes. Source for global average indicator is IAI data, 2018.

RUSAL's products

GRI 102-2, GRI 102-6

RUSAL produces a wide range of products, also with having high added value (aluminium sheets, ingots, wire rod, casting alloys, billets, etc.). Despite market volatility and a decline in global demand for aluminium brought about by the COVID-19 pandemic, the Company managed to increase the share of high value-added products sales in total sales to 44% in 2020 (up from 37% in 2019), mainly attributable to the diversified customer base and prompt management decisions.

2020 – key production figures

more than 98%
is the share of clean and renewable hydropower used for aluminium production[4]

less than 4 tonnes
of CO_2 equivalent per tonne of aluminium[5] carbon footprint for ALLOW brand (Scope 1&2, at smelter)

3.8 million tonnes
of aluminium produced (5.8% global aluminium production)

8.2 million tonnes
of alumina produced (6.5% of global alumina production)

14.8 million tonnes
of bauxite produced

[4] In the structure of the energy mix of RUSAL aluminium plants.
[5]Level 1 emissions. As defined in the Aluminium Carbon Footprint Technical Support Document – Level 1: Emissions from aluminium electrolysis, aluminium ingot casting, anode/paste production, as well as emissions from electricity generation and heat production associated with these processes.

Participation in other companies and joint ventures

As of the end of the reporting period, RUSAL held a 27.82% stake in PJSC MMC Norilsk Nickel (Russian Federation), the world's largest producer of nickel and palladium and one of the largest producers of platinum and copper. In 2021, the Company participated in the repurchase of Norilsk Nickel shares. This has not been disclosed in the annoncement of the Company, suggest to remove and align with the disclosure of the Company dated 15 June 2021. The decrease in RUSAL's stake as a result of the repurchase will be partially compensated by the subsequent cancellation of the majority of shares bought back by Norilsk Nickel.

As a result, it is expected that upon completion of the repurchase and cancellation of the major part of repurchased shares, RUSAL's stake in Norilsk Nickel will remain above the blocking stake (25%+1 share).

RUSAL also holds a 20% stake in Queensland Alumina Ltd. (Australia), producing alumina under a tolling agreement, and a 50% stake in BEMO project (Cyprus, Russian Federation).

Together with Samruk-Energo, the energy division of Samruk-Kazyna, which is located in Kazakhstan, RUSAL owns the Bogatyr Komir development production facility.

2020 Sustainability profile

GRI 102-7

Industry leader	**No 1** aluminium producer outside of China **No 1** low-carbon aluminium producer outside of China	**USD 8,566 million** revenue **43** factories located **in 13** countries	**3,926 kt** total sales **1,722 kt** VAP sales
Global role in low-carbon economy	**11%** reduction in specific GHG emissions vs 2014 at existing aluminium production capacities	**4%** reduction the average electricity consumption at aluminium smelters	**112 thousand** trees planted in Irkutsk Region at 28 hectares **Over 500 kt** of low-carbon ALLOW aluminium sold
Environmental protection	**USD 88.4 million** allocated for environmental protection	**16 out of 18** of production facilities' were certified under ISO 14001	**92.6%** share of circulating and recycled water supply
Operational efficiency	**USD 8.5 million** economic effect from implementing employee improvement proposals	**USD37.8 million** economic effect from implementing Business System development projects	**1,800** employees trained in quality management
Human rights	**25%** of employees are women	**Over 426** requests received and addressed through the SignAL hotline	**0** human rights breaches reported
Attractive employer	**56,150** total headcount at the end of the year	**7,559** employees trained	**85.5%** share of employees covered by collective agreements
Work safety	**100%** of employees are covered by the Health and Safety management system	**0.18**[6] LTIFR	**Over 93%** of identified hazardous conditions eliminated
Social responsibility	**USD 62.5 million** spent on social programmes and charity	**USD 79.5 million** spent on anti-COVID-19 measures	**49%** of local supplier purchases

[6] Including the main contractor LLC ECS

Recognition from the expert community

In 2020, RUSAL's received an "A-" rating for the first time in the aluminium industry, following its annual assessment by the Carbon Disclosure Project (CDP) and became one of 160 leading CDP companies out of over 4.800 participants seeking to reduce climate risks along the entire supply chain. Also in 2020, RUSAL received the highest CDP Supplier Engagement Rating - the engagement of companies to reduce CO_2 emissions throughout the supply chain.

Certification under the Aluminium Stewardship Initiative (ASI) Performance Standard and Chain of Custody Standard was achieved for five RUSAL aluminium smelters:

- Boguchansky aluminium smelter (BoAZ)
- Bratsk aluminium smelter (BrAZ)
- Krasnoyarsk aluminium smelter (KrAZ)
- KUBAL (Kubikenborg aluminium AB)
- Sayanogorsk aluminium smelter (SAZ)

In addition to the certification scope in 2019, which included:

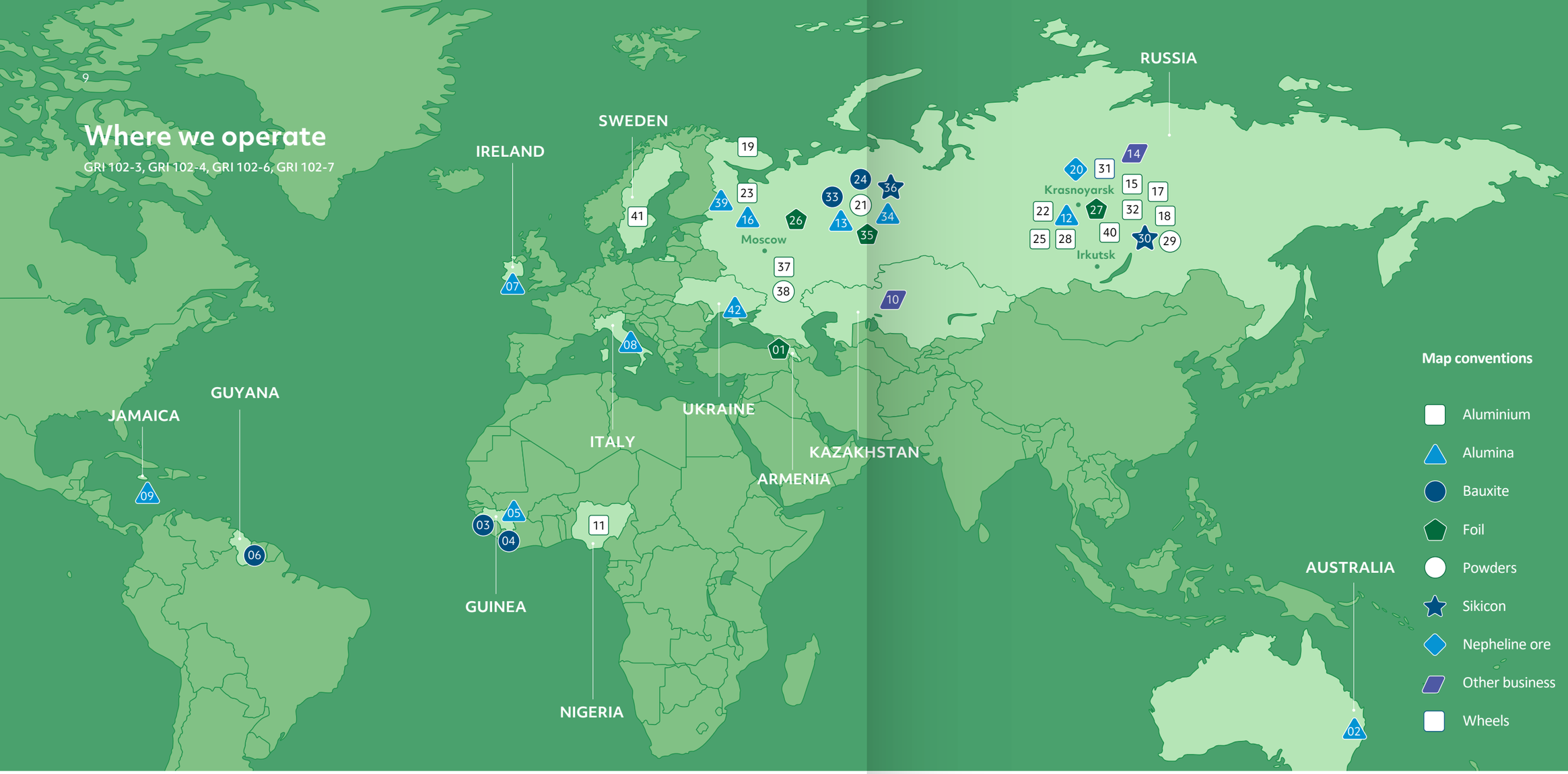
- RUSAL's headquarters
- Boksit Timana (bauxite mining)
- Urals aluminium smelter (UAZ alumina refining)
- Irkutsk aluminium smelter (IrkAZ)

Now RUSAL can offer its customers primary aluminium and VAPs from eight ASI certified facilities.

RUSAL was awarded a bronze medal in the EcoVadis Sustainability rating 2020.
The Company improved its performance compared to the previous audit three years ago.

Where we operate

GRI 102-3, GRI 102-4, GRI 102-6, GRI 102-7



With a well-established presence across five continents, and core assets in Siberia, RUSAL is headquartered in Russia (Moscow and Kaliningrad)

The Company's operations are presented by 42 factories located in 13 countries.

RUSAL operations across the world

ARMENIA
01 Armenal

AUSTRALIA
02 QAL

GUINEA
03 Compagnie des bauxites de Kindia (CBK)
04 Dian Project
05 Friguia Bauxite & Alumina Complex

GUYANA
06 Bauxite Company of Guyana (BCGI)[7]

IRELAND
07 Aughinish Alumina

ITALY
08 Eurallumina

JAMAICA
09 Windalco

KAZAKHSTAN
10 LLP Bogatyr Komir

NIGERIA
11 ALSCON

RUSSIA
12 Achinsk Alumina Refinery
13 Bogoslovsky Alumina Refinery
14 Boguchanskaya HPP (BEMO)
15 Boguchansky Aluminium Smelter (BEMO)
16 Boksitogorsk Alumina Refinery
17 Bratsk aluminium smelter
18 Irkutsk Aluminum Smelter
19 Kandalaksha Aluminium Smelter
20 Kia-Shaltyr Nepheline Mine
21 Krasnoturyinsk Powder Metallurgy
22 Krasnoyarsk Aluminium Smelter
23 Nadvoitsy Aluminium Smelter[8]
24 North Urals Bauxite Mine
25 Novokuznetsk Aluminium Smelter
26 Sayana Foil
27 SAYANAL
28 Sayanogorsk aluminium smelter
29 Shelekhov Powder Metallurgy
30 Silicon (ZAO Kremniy), Shelekhov
31 SKAD wheels factory[9]
32 Taishet Aluminium Smelter (project)
33 Timan Bauxite
34 Urals Alumina Refinery
35 Urals Foil
36 Urals Silicon
37 Volgograd Aluminium Smelter
38 Volgograd Powder Metallurgy
39 Pikalevo Alumina Refinery
40 Taishet anode plant

SWEDEN
41 KUBAL

UKRAINE
42 Nikolaev Alumina Refinery

[7]The asset is mothballed.
[8]The asset is stopped

[9]Previously «K&K». In 2020, the enterprise was renamed into the Production Complex LLC LMZ SKAD in Krasnoyarsk (SKAD wheels factory).

MESSAGE FROM THE CHAIRMAN

GRI 102-14

Dear friends,

It is my pleasure to introduce you to our 2020 Sustainability Report. There was no business or organisation in 2020 which did not feel the effects of the COVID-19 virus. Here at RUSAL, when we face with a challenge or a problem, we turn it on its head and look at it as an opportunity and last year was no different. Right across our business, the pandemic provided us with chance to re-focus on our ultimate goal of safeguarding the environment and helping to create a more sustainable world in new ways, transforming the vision of our future.

We as a business are always looking at ways and routes to reach our sustainability goals, but also key to us during the crisis, was to strengthen our support for our people, customers and clients, all of whom remain at the heart and the soul of our business. Alongside maintaining an uninterrupted service to our customers and clients, we took unprecedented measures to ensure that staff welfare always comes first, alongside supporting local communities in a variety of meaningful ways and providing wider help on an international level. As an example, we constructed a new multifunctional medical center for the treatment of infectious diseases in Guinea and delivered a consignment of consumables for the diagnosis and treatment of the virus. Furthermore, we delivered one of our largest infrastructure projects, the construction of new hospitals in Siberia, the Urals and Ukraine to provide support to those who needed it most. Restrictive and preventive measures in the fight against coronavirus infection were also extended in 2021 across our operations globally to protect our people.

As you are aware, most recently we have announced that we are pursuing a demerger of our higher carbon assets, which aligns with our ambitious environmental goals and strategy to achieve carbon net-zero level by 2050 within our Net Zero initiative, launched earlier this year. Such a step once again reaffirms our intent on becoming the world largest producer of low-carbon aluminium with our market leading brand, ALLOW. We are 100% committed to provide provide the market with the lowest carbon footprint aluminium possible and thanks to this proposed demerger, may allow the Company better positioned to reach our full potential as a truly sustainable business, developing ground-breaking inert anode technology which delivers the promise of carbon free aluminium production. The proposed demerger of the Company intends to accelerates the environmental modernisation of our refinerie and production sites under the new company – and to do so in a way that exceeds global environmental standards.

Another key priority for the business, was the importance we placed on our international ESG ratings in which RUSAL retains its high ranking amongst its peers. During the year, we received an "A-" rating for the first time across the aluminium industry, following an annual assessment by the Carbon Disclosure Project (CDP) and became one of 160 leading CDP companies out of over 4,800 participants seeking to reduce climate risks along the entire supply chain. In addition, five more of our aluminium smelters achieved Aluminium Stewardship Initiative (ASI) certification, further confirming our success in implementing best in class ESG practices. This adds to the four facilities which received the certification in 2019.

Another key priority for the business, was the importance we placed on our international ESG ratings in which RUSAL retains its high ranking amongst its peers.

In July 2020, the Company reported the fulfilment of its key sustainability performance indicators under the sustainability-linked finance facility which highlights our market leading approach to sustainability and the recognition of RUSAL's efforts by the banking community. This also sits alongside the robust trading performance of the business where the market decline was less severe than initially predicted.

To conclude, I want to reassure you that despite the challenges of 2020, the year was one of the most progressive for the business as we maintained and went further on our sustainability pledges. I want to take this opportunity to express my gratitude to all of our stakeholders for their continued cooperation and support during the past year and we look forward to what 2021 will bring for the Company and its sustainability goals.

Bernard Zonneveld
Chairman of the Board

MESSAGE FROM THE GENERAL DIRECTOR

GRI 102-14, HKEX п.9, HKEX п.10

Dear Friends,

I am proud to say that this year we have demonstrated our robustness, adaptability and strength, as we became an even more cohesive and strong company, able to withstand any difficulties. There has been no halt in the implementation of our new projects, we have continued with our environmental modernisation of enterprises, and the Company's social programs and improvement programs in the regions of our presence reached the next stage of their development.

2020 was a year of tough challenges, unique experiences and new life lessons learnt by all of us. The coronavirus pandemic has been a test of strength and resilience, and we have taken these challenges in our stride, with our people remaining our key priority. RUSAL appeared to be one of the first to transfer its employees, whose duties did not require a physical presence on the production site, to a remote working format. Employees required to participate in production processes received all the necessary protective equipment in a short timeframe. In addition, the Company provided all employees with constant medical supervision to ensure an additional layer of safety.

Further to this, our help to doctors, hospitals and social institutions came in a timely manner. Within six months, we built and commissioned eight new medical centers in Russia and Ukraine and a multifunctional medical center for the treatment of infectious diseases in Guinea. At the peak of the spread of the disease and lockdown, RUSAL initiated help for the elderly and our veterans, providing them with all the necessary supplies during their self-isolation period. A recognition should be awarded to over a thousand RUSAL volunteers, whose selfless help was truly invaluable.

RUSAL adopts a systematic approach to managing operational efficiency and cultivates an environment that facilitates the development of personnel and a culture that ensures that the Company’s production and business processes are continuously improved. This year, with the tough lockdown restrictions we put into operation the online training platform UNIVER to enable our employees to develop the skills needed for their own professional growth. RUSAL was one of the first Russian companies to clearly define its own ethical standards and strictly adheres to them across its activities. The Company and the Moscow School of Management, SKOLKOVO, also established the Centre for Business Ethics, which implements educational and expert programs in the field of business ethics, introducing the best ESG practices.

Doing responsible business is at the core of RUSAL’s operations, particularly regarding high environmental standards. We make a significant contribution into the transformation of the global aluminium industryю, through the use of our low carbon aluminium ALLOW, which has a production carbon footprint 5 times lower than the industry average (scope 1 and 2)[10]. In addition, our wide range of tools from energy efficiency improvements to innovations such as inert anode, assists us in our pledge to achieve our net-zero goal. As market appetite for aluminium is anticipated to grow by more than 50% by 2050, the industry is looking at pathways to reduce its footprint and we are leading the change in this process.

> *Over the past 10 years for environmental projects was more than USD 1 billion allocated*

We have continued to focus heavily on environmental protection, with over USD 1 billion allocated to environmental projects over the last 10 years, which has facilitated the modernisation and development of existing production. Thanks to large-scale investment in environmental protection measures and initiatives, RUSAL has achieved significant improvements in environmental performance, emissions reduction and water use and discharge. This has been part of the preparation for a large-scale reconstruction program for Company’s largest aluminium smelters to be completed by 2030.

To conclude, I would like to thank all employees at RUSAL for your continued support and hard work in 2020. It was an extremely challenging year, which transformed the market, the world and all of us. Despite this, we have continued to thrive, maintaining the trust and confidence of the financial stakeholders, customers and our communities. We are entering a bold new era with a clear understanding and a strong commitment that sustainable growth is the only possible basis for the development of industries around the world, for our future.

Evgenii Nikitin,
General Director

[10]ALLOW average carbon footprint figure is the verified for 2020.
The global average value is 12.7 t, source: data from the International Aluminium Institute, 2018 https://www.world-aluminium.org/media/filer_public/2021/07/01/ghg_emissions_aluminium_sector_1_june_2021_read_only.xlsx.
Level 1 in accordance with Aluminium Carbon Footprint Technical Support Document (2018) (https://www.world-aluminium.org/media/filer_public/2018/11/22/carbon_footprint_technical_support_document_v1_published.pdf).

OUR RESPONSE TO COVID-19

2020 highlights

$40.28 million
allocated by RUSAL for the construction and equipment of hospitals

$7.18 million
allocated by RUSAL for personal protection equipment, medicines and disinfectants for the regions and for own use

135,337
number of tests performed for COVID-19

~1,000
RUSAL corporate volunteers took part in the Time to Help project to help combat COVID-19

~21,000
food packages delivered to pensioners by RUSAL's corporate volunteers

~10,000
elderly people received help from RUSAL

In 2020, the COVID-19 coronavirus infection pandemic became a pressing challenge for RUSAL and highlighted the importance of the Company's investments in healthcare and safety. We took unprecedented measures to ensure staff welfare and support local communities during the COVID-19 outbreak. Restrictive and preventive measures in the fight against coronavirus infection were also extended in 2021.

Protecting the workforce

RUSAL's response to the pandemic was swift and sturdy. We appeared to be one of the first to transfer employees whose duties do not require a physical presence in the territory of the Company to a remote working format. Employees required to participate in production processes the shortest time received all necessary protective equipment, including disinfectants, gloves, and masks. In addition, RUSAL provided them with constant medical supervision to ensure an additional layer of safety.

Helping local communities

As part of the Helping is Easy programme, the corporate fund, together with RUSAL enterprises, quickly launched the work of a volunteering headquarters to help lonely and isolated elderly people, and pensioners of the Company's enterprises. For three months, volunteers delivered more than 21,000 food packages. In addition, RUSAL organised a hotline for elderly people at high risk, so that they could order deliveries of food or medicines.

Almost 1,000 RUSAL corporate volunteers took part in the programme: 568 people organised deliveries of food packages to the Company's veterans, and another 400 worked on construction sites in the Urals Region and Siberia, helping to build RUSAL's medical centres for the treatment of community-acquired pneumonia. During the pandemic RUSAL's corporate volunteers helped 10,000 pensioners across the country, delivering food and helping with other requests.

Supporting healthcare in Russia

During the fight against the spread of COVID-19, RUSAL launched one of its largest infrastructure projects, Construction and equipment of Hospitals. In 2020 RUSAL earmarked USD 40.28 million for the construction of hospitals in seven cities where it operates. At the end of 2020, all hospitals started to receive patients. Medical centres financed by RUSAL were equipped with modern diagnostic devices and will become multifunctional medical centres in the future. The construction of hospitals project is planned to be fully completed in 2021. Its total budget will be USD47 million.

In addition to this, to combat the pandemic, the corporate fund donated personal protective equipment, medicines and disinfectants to municipal health institutions and municipal administrations, worth over USD7 million.

Supporting healthcare outside Russia

A large portion of RUSAL's assistance in the fight against COVID-19 was earmarked for local communities outside Russia. RUSAL financed the construction of a multi-purpose medical centre in Guinea and delivered humanitarian cargo intended to combat the spread of COVID-19 in the country. In 2021 RUSAL received the Guinea Best Company Awards for its contribution to the fight against COVID-19 and socially responsible policy during the pandemic.

SUSTAINABILITY STRATEGY

GRI 103-2, HKEX n.13

A business is only truly successful in today's world if it operates in harmony with society and the environment. While RUSAL is aware of the environmental impacts of production, it also addresses the needs and expectations of local communities, and supports all human rights and freedoms guaranteed by international and Russian laws.

RUSAL takes a responsible approach to its business practices and assesses its impacts on the environment and all groups of stakeholders. The principles of sustainable development underpin the strategy of the Company. Compliance with this approach is not only important for the Company's reputation; it also constitutes a competitive advantage for RUSAL as one of the first Russian companies to use CSR guidelines as a foundation of its strategy

> *As the market evolves towards integrating ESG risks among the core considerations of doing business, among the key pillars of our strategic vision are sustainability and leading 'green' transitions in the aluminium industry.*

Our values

GRI 102-16

- Respect the rights and interests of all employees, the requirements of our customers, the agreed terms of our business partners, and society.
- Fairness, which means paying wages commensurate with performance and equal conditions for professional growth.
- Honesty in relationships and providing the information necessary to perform the work.
- Efficiency, defined as a consistently high level of performance in everything we do.
- Willingness to speak openly about things we do not accept, as well as taking personal responsibility for the consequences of the decisions we make.
- Care, expressed in our constant striving to protect people and the environment against potential harm.
- Trust in our employees, which allows us to delegate authority and responsibility for making and implementing decisions.

ESG focus areas and targets

Working towards our strategic goals is fundamental to the success of our business and aligns with our commitments to the objectives of the Paris Agreement and the United Nations (UN) Sustainable Development Goals.

Our ESG targets are included in the remuneration system of top management and employees. This system includes the implementation of corporate-wide key performance indicators (KPIs) and personal KPIs. Personal KPIs also include indicators aimed at achieving sustainable development goals, depending on the position.

Topic	ESG focus areas and targets
E	**Environmental**
Air	• Achievement of air emission standards established by the legislation of the countries of presence • Protecting the interests of the Group in the field of greenhouse gas emissions regulation and promotion of low-carbon products
Water	• Creation of closed-loop water supply systems for the main processes
Waste	• Recycling and use of industrial waste, taking into account the technical capabilities and market needs. Ensuring safe disposal of waste • Complete disposal of equipment and waste containing polychlorinated biphenyls (PCBs)
Land and biodiversity	• Planting trees as part of the Forest Ecosystem Restoration Initiative • Implementation of an aviation forest protection project that contributes to the protection and sustainable management of forest ecosystems • Implementation of biodiversity monitoring projects in cooperation with the specially protected natural areas • Fulfillment of obligations on reclamation of disturbed lands
S	**Social**
	Enhance the Company's status as an employer of choice Step-by-step certification of facilities under the ASI standards
Health and safety	• Ensure zero injuries, zero fatalities and zero fires • Prevention of occupational diseases
Employees	• Improve equality and diversity • Increase employee engagement, loyalty and satisfaction • Support for labour and human rights
Local communities and human rights	• Increase investments in the development of local communities in regions of the Company's presence • Ensure zero local communities conflicts
G	**Governance**
	Demonstrate RUSAL's leadership in ESG and ethical agenda Introduce innovative technologies that boost operating efficiency Improve operating flexibility to promptly adapt to a fast-changing market environment ISO 14001 certification of all enterprises of the Company operating in the market by 2025. Step-by-step certification of enterprises according to ASI standards
Anti-corruption and ethics	• Zero-tolerance approach to bribery and corruption in all forms • Compliance with the current legislation in the countries of presence
Supply chain	• Increase of transparency of procurement • Implement of long-term procurement strategies for key raw materials categories • Step-by-step certification of facilities under the ASI standards
Operational efficiency and innovations	• Foster a culture of continuous improvement in production facilities • Reduce costs and boosting production efficiency

RUSAL strategy initiatives in the low carbon develpoment

In July 2020, En+ Group and RUSAL launched Green Aluminium Vision, an initiative aimed at achieving a more sustainable future. The Company set out its commitments to lead the industry into a low-carbon economy by developing a new asset class of Green Aluminium.

Green Aluminium Vision commitments

1. Reducing emissions		2. Low-carbon aluminium branding	3. Carbon footprint transparency	4. Circularity
Further drive low-carbon emissions down while meeting growing demand for aluminium worldwide		Ensure greater transparency, empower consumers with information about a low-carbon footprint	In line with the LME, strive to enable environmental information disclosures and a potential low-carbon aluminium trading platform	Focusing on reducing waste and driving non-resource growth through recycling that increases resource efficiency, reduces emissions and goes hand in hand with low carbon primary aluminum
5. Sustainability labelling	**6. Liberalisation of low-carbon primary aluminium trade**	**7. Elimination of excess capacities to ensure fair and green trade**	**8. Collaboration in R&D**	**9. Enhanced partnerships**
Introduce sustainable product labeling that allows consumers to purchase low-carbon primary aluminium with an independently verified carbon footprint	Differentiated customs code for primary low-carbon aluminium which would contribute to the strengthening of competition and sustainable development of the entire aluminium industry	Calls for the creation of a Global Forum on Sustainable Industrial Development focused on improving global governance, strengthening free and fair trade, and shielding green products and services from unhelpful practices	For further progress in boosting low-carbon and circular transitions	International Aluminium Institute, Aluminium Stewardship Initiative, WEF's Aluminium for Climate Initiative, SDGs, UNFCCC

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

HKEX Para 7, HKEX Para 11, HKEX Para 14, GRI 102-21, GRI 102-42, ASI PS 3.1

RUSAL is convinced that it is not possible to create a sustainable business model without strong stakeholder engagement - individuals and organizations that have an impact on the activities of the Company or are under its direct or indirect influence. Stakeholder groups were identified based on their impact on the Company's activities and performance, the frequency of their involvement and their significance for RUSAL.

The main documents regulating relations between RUSAL and stakeholders are the Corporate Code of Ethics and the Business Partner Code. To meet stakeholders' expectations and needs, RUSAL maintains effective communication channels.

In 2020, due to the COVID-19 pandemic, all meetings and events were held online via audio/video-conferences, in order to minimise the risk of exposure to the virus.

Methods of stakeholder engagement

GRI 102-40, GRI 102-43, GRI 102-44

Stakeholder groups	Key topics	How we engage
Shareholders and investors	• Strategic business prospects • Strategic ESG initiatives • Corporate governance quality • Performance • Prudent risk management	• Conference calls, presentations, and roadshows by Company management to the investment community (at least twice a year) • Financial, annual, and sustainability reporting (at least twice a year) • Regular online meetings with minority shareholders • Annual general meeting of shareholders
Customers and suppliers	• Quality and reliability of product deliveries • Access to bids and procurement, clarity and transparency of procurement procedures • Nature of business relations • Managing aspects of sustainable development	• Online industry conferences and meetings with customers (as required) • Tender and procurement plans (as required) • Supplier qualification and development system (continuous process) • Complaints system: weekly reviews of customer complaints (continuous process) • Contractual relationships • Responding to customer inquiries about the Company's sustainable development activities (upon receipt) • Focus programs to improve customer interaction
Employees and trade unions	• Remuneration and social guarantees • Working conditions • Training and career development opportunities • Respect for employee rights • Health and safety • Support during the COVID-19 pandemic	• Collective agreements (once every three years) and reports on their performance (annually) • Corporate media: magazine, social media (monthly) • Online meetings with leadership and management (at least twice a year) • Assessment of hotline reports (continuous process) • Participation in reputation studies (annually) • Various volunteering projects (periodically) • Regular corporate cultural and sports events, professional competitions (periodically)
Federal and regional authorities	• Payment of taxes • Regulatory compliance • Contributing to the development of the regions where the Company operates • Creation/preservation of jobs	• Public hearings and consultations in the retrofitting and expansion of existing industries and the construction of new facilities (as projects are completed) • Liaising with state authorities on legislative and regulatory issues (continuous process) • Memberships of associations
Local communities	• Developing the regions where the Company operates • Creation/preservation of jobs • Grant support for initiatives • The condition of environments near production facilities • Human rights • Support during the COVID-19 pandemic	• Public hearings and consultations in the retrofitting and expansion of existing industries and the construction of new facilities (as projects are completed) • Social and economic partnership agreements with a number of regional governments and municipalities • Website, sustainability reports

Materiality assessment

GRI 103-1, GRI 102-46, GRI 102-47

The content of this Report is shaped in the context of sustainable development based on the expectations of the Company's stakeholders. In 2020, we applied a targeted three-step approach to identify the most relevant topics for RUSAL's stakeholders, as presented in the table below.

The materiality assessment was carried out in accordance with the requirements of GRI standards. Based on the results of the study conducted by the Company's Working Group, a list of material topics was agreed and a visual materiality matrix was created.

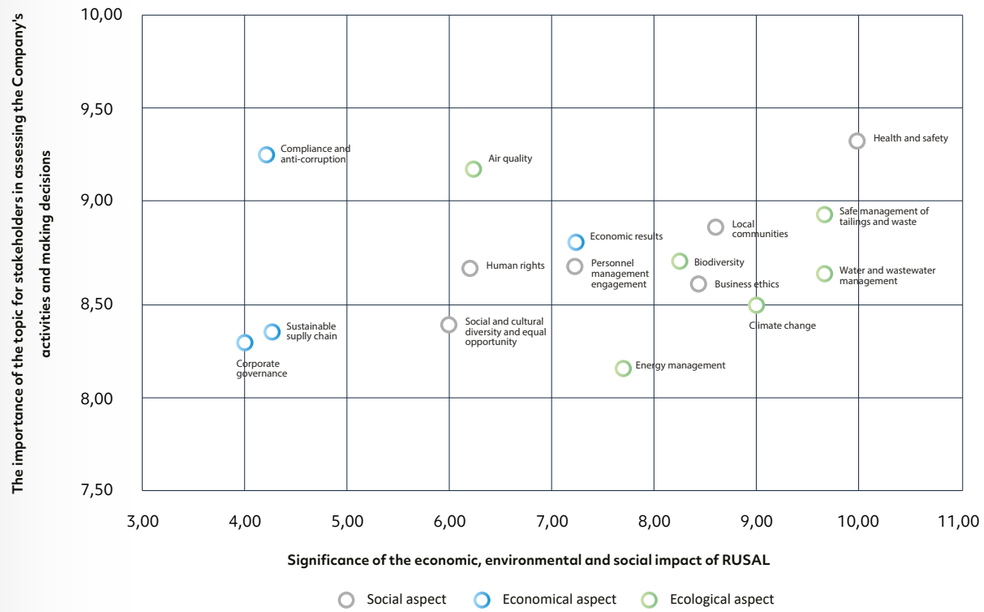
Materiality assessment process

STEP 1: Identifying the list of material topics	STEP 2: Prioritising identified sustainability topics	STEP 3: Adopting the list of material topics
• Analysing key issues raised by stakeholders within regular business processes • Reviewing publications in public sources • Benchmarking material topics disclosed by international and Russian companies of the mining and metallurgical industry • Reviewing issues recognised as material by industry associations (including the ASI Standard) • Drawing up an initial list of material topics in accordance with GRI Standards and the sustainability goals identified as relevant for the Company and investors	• Evaluating domestic stakeholders survey results • Analysing requests from key sustainable development rating agencies and investors	• Approving the list of material topics by the Working Group
Drawing up a preliminary list of material topics	Updating the list of material topics	Approving the list of material topics to be included in the Report

Stakeholder survey

Furthermore, we engaged with our internal and external stakeholders and asked them to prioritise material topics, using a scale of 1 to 10, where 1 stands for not important and 10 the most important. In total, 90 people were engaged in the materiality assessment process, including our shareholders, investors, analysts, customers, suppliers, employees, trade unions, federal and regional authorities, and local communities. Based on an analysis of completed online forms a materiality matrix was created.

Materiality matrix



ASSOCIATION AND INTERNATIONAL INITIATIVES MEMBERSHIP

GRI 102-12, GRI 102-13

As a leading aluminium producer worldwide in terms of production output and the No1 producer of low-carbon aluminium, RUSAL (both its representatives and the Company as a whole) actively participates in industrial and broader international and domestic organisations and initiatives, including:

- The UN Global Compact initiative.
- UN Global Compact Network Russia.
- The Carbon Pricing Leadership Coalition (CPLC).
- The Task Force on Climate-Related Financial Disclosures (TCFD).
- The International Chamber of Commerce (ICC), Russia.
- The ICC Commission on Environment and Energy.
- The Commission on Economics of Climate Change and Sustainable Development of ICC Russia.
- The American Chamber of Commerce in Russia.
- Federation of aluminium consumers in Europe.
- The Climate Partnership of Russia.
- The Japanese Climate Leadership Partnership.
- The Business and Industry Advisory Committee to the OECD (BIAC OECD).
- The Environment Policy Committee to the OECD (EPOC OECD): Company representatives participate in the work of the committee through membership in the BIAC OECD.
- The U.S.-Russia Business Council
- The United Nations Framework Convention on Climate Change (UNFCCC): Company representatives as part of a delegation participate in the Conference of the Parties to the UNFCCC.
- The International Aluminium Institute (IAI).
- The Aluminum Association.
- The Aluminium Stewardship Initiative (ASI).
- CDP Carbon Disclosure Project (participation)
- The Committee on Climate Policy and Carbon Regulation of the Russian Union of Industrialists and Entrepreneurs (RSPP).

In 2020, the entire communication system with and within industry organisations and international initiatives was rebuilt from a personal to virtual format, to a large extent on account of external drivers related to the COVID-19 pandemic. The work of all organisations continued in the format of video conferencing, with a few face-to-face events taking place at the end of the year.

Main achievements in 2020

RUSAL's intensive work continued within various working groups, where the Company advocated ESG business practices and defended its position in areas that directly relate to its vision of contributing to achieving Sustainable Development Goals (SDGs). We participated actively to bring meaningful content to the sustainable development documents elaborated by various organisations.

Key Company activities during the reporting period included the RUSAL's commission, entered the Committee on Climate Policy and Carbon Regulation, created to consolidate the efforts of Russian companies, representing the primary industries, on the climate agenda, within the framework of the Russian Union of Industrialists and Entrepreneurs (RSPP). RUSAL also continued to participate in the working group at the Russian Ministry of Economic Development on the preparation of the first Voluntary National Review of the Russian Federation's achievements in relation to the UN SDGs and the implementation of the 2030 Agenda for Sustainable Development. This report was successfully submitted to the UN in 2020. Within the framework of the G20, RUSAL actively participated in preparing a corresponding report for the G20 on the topic of Climate Change, Sustainable Energy, and the Environment. Since Italy holds the Presidency of the G20, we have been working with the Italian chairman of the G20.

In relation to climate, RUSAL participated in the EU-Russia Climate Conference and in Carbon Pricing Leadership Coalition events, made suggestions on requested topics, and shared its knowledge during the OECD Intergovernmental Panel on Climate Change (IPCC). Due to the health and safety measures in response to COVID-19, the UN Climate Change Conference of the Parties (COP 26) in Glasgow and subsidiary body sessions were postponed until 2021. Another series of virtual events was launched within the UN Framework Convention on Climate Change. RUSAL representatives took part in the June Momentum for Climate Change and the UN Climate Change Dialogues, which became an alternative to the June meeting of subsidiary bodies and COP26. In December 2020, RUSAL joined the Japanese Climate Leadership Partnership and contributed to the Future Aluminium Forum organised by Aluminium International Today. In a keynote speech a RUSAL spokesperson discussed zero carbon as a game changer for the industry.

Aluminium Stewardship Initiative

Substantial growth in the ambitions and requirements of the world community vis-à-vis sustainable development, climate change, environmental protection, and human rights has led to increased compliance in relation to reporting quality and certification. In December 2015, RUSAL joined the Aluminium Stewardship Initiative (ASI), an international initiative of aluminium and aluminium product producers and a global non-governmental sustainable development initiative for the aluminium value chain. RUSAL is fully engaged in working groups assigned to the ASI, whose core objective is to develop ASI Standards.

ASI standards: the ASI Performance and Chain of Custody Standard have been elaborated and designed to be applied globally throughout the aluminium value chain. ASI Performance Standard requirements are based on ESG principles and cover 11 groups of criteria relating to governance, environmental, and social aspects. The ASI Chain of Custody Standard has been developed to assist aluminium companies to provide their customers and stakeholders with an independent assurance for the responsible manufacturing and sourcing of aluminium. ASI certification reports are publicly available.

In 2019, the Company's Headquarters and three production sites were successfully certified under the ASI Performance Standard and ASI Chain of Custody Standard: the Boksit Timana bauxite mine, Urals alumina refinery (UAZ), and Irkutsk aluminium smelter (IrkAZ). In December 2020 RUSAL extended ASI certification to five of the Company's aluminium smelters: Boguchansky aluminium smelter (BoAZ), Bratsk aluminium smelter (BrAZ), Krasnoyarsk aluminium smelter (KrAZ), KUBAL (Kubikenborg aluminium AB), and Sayanogorsk aluminium smelter (SAZ) successfully passed a certification for compliance with ASI Performance and ASI Chain of Custody Standards and were included in RUSAL's current ASI certificates. Independent, third-party audits were carried out by DNV GL.

RUSAL plans to continue certification of its facilities.

RUSAL'S CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

GRI 102-12

RUSAL makes a significant contribution to sustainable development and supports all 17 Sustainable Development Goals (SDGs) formulated by the United Nations (UN). The Company focuses its efforts on the seven SDGs where its contribution is most significant: good health (goal 3), quality education (goal 4), decent work and economic growth (goal 8), responsible consumption and production (goal 12), climate action (goal 13), life on land (goal 15), and partnerships for the goals (goal 17).

The table below presents the six SDGs that we focus on and demonstrates how RUSAL's activities contribute to achieve these SDGs. The measures taken to achieve these priority SDG are described in more detail in the Report using the links provided in the table.

Priority SDG and inputs to meet Sustainable Development Goals[11]

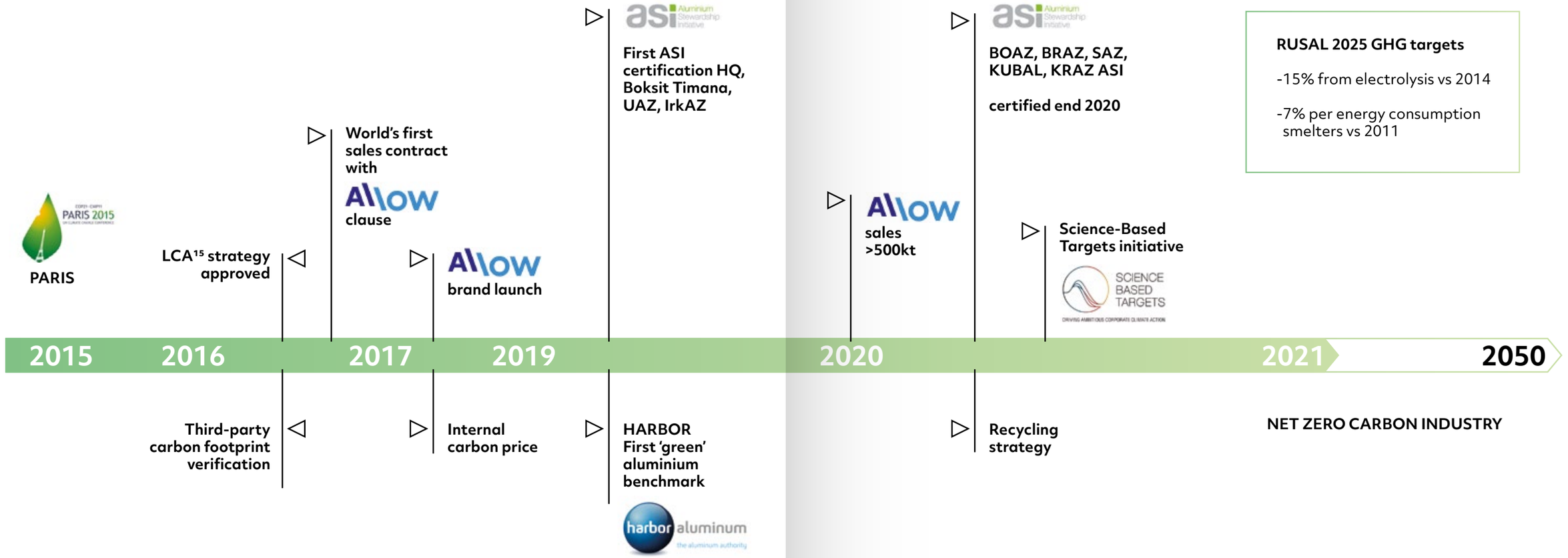
Priority SDGs	Our contribution	Achievements 2020	Material issues
3 GOOD HEALTH AND WELL-BEING	• Providing health care services, access to quality basic health care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all. • Combatting the epidemics AIDS, tuberculosis, malaria, and tropical diseases, and other infectious diseases. • Supporting research and development into vaccines and drugs to treat infectious and non-communicable diseases. See the chapters Health and safety, p.77; Developing local communities, p.171	**USD 79.5 million** spent on anti-COVID-19 measures **100%** of employees are covered by the Health and Safety management system **0.18**[12] LTIFR **11.5%** decline in occupational diseases **USD40.28 million** allocated for the construction and equipment of medical centres	• Health and safety • Local communities
4 QUALITY EDUCATION	• Providing access to affordable and high-quality vocational and higher education, including university education. • Increasing the number of young and adult people with in-demand skills, including the vocational and technical skills necessary for employment, decent work, and entrepreneurship. • Scholarships awarded to developing countries, especially the least developed countries. See the chapter Employees, p.101	**7,559** employees trained **75** students from Guinea and Jamaica continued their bachelor's degree studies **40** students from Guinea and Jamaica completed their studies at the Siberian Federal University and Novokuznetsk Industrial Technical School	• Employee management and engagement • Local communities

[11]In 2021-2022 RUSAL plans to set key targets and metrics on the relevant UN SDGs.
[12]Including the main contractor LLC ECS.

Priority SDGs	Our contribution	Achievements 2020	Material issues
8 DECENT WORK AND ECONOMIC GROWTH	• Boosting productivity in the economy through diversification, technical modernisation, and innovation, including by focusing on high value-added and labour-intensive sectors. • Gradually increasing global efficiency in the use of resources in consumption and production systems and a desire to ensure that economic growth is not accompanied by environmental degradation. • Reducing the number of young people that do not work, study, or acquire professional skills. • Protecting labour rights and promoting safe and secure working conditions for all workers. See the chapters Employees, p.101; Operational efficiency and innovations, p.53	**30,953** employees received training on anti-corruption. **1,800** employees trained in quality topics **USD16.3 million** spent on R&D and innovations **USD62.5 million** spent on social programmes and charity **426** messages received via the SignAL hotline	• Employee management and engagement • Social and cultural diversity and equal opportunity • Business ethics • Human rights • Economic performance • Sustainable supply chain • Compliance and anti-corruption
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• The rational development and effective use of natural resources. • Reducing waste by taking measures to prevent its creation and by reducing, recycling, and reusing it. • Applying sustainable production methods and providing information on the rational use of resources in its reports. See the chapters Operational efficiency and innovations, p.53; Environmental protection, p.123; Climate change, p.147.	**92.6%** share of circulating and recycled water supply	• Climate change • Energy management • Water and wastewater management • Biodiversity • Air quality • Safe management of tailings and waste
13 CLIMATE ACTION	• Reducing direct and indirect energy greenhouse gas emissions. • Increasing flexibility and the ability to adapt to climate hazards and natural disasters. See the chapter Climate change, p.147.	**↓11%** direct specific greenhouse gas emissions[13] compared to 2014 level **↓4%** average specific electricity consumption compared to 2011 level[14]	• Air quality • Climate change • Energy management
15 LIFE ON LAND	• The conservation, restoration, and rational use of terrestrial and inland freshwater ecosystems, including forests, wetlands, mountains, and drylands. • Introducing methods to foster the rational use of all types of forests, restore degraded forests, and significantly expand afforestation and reforestation. • Measures to curb the degradation of natural habitats and protect biological diversity. See the chapters Environmental protection, p.123; Climate change, p.147	**USD 88.4 million** spent on environmental protection **500 thousand** hectares of taiga protected by implementing fire safety measures	• Water and wastewater management • Biodiversity • Safe management of tailings and waste
17 PARTNERSHIPS FOR THE GOALS	• Working closely with industry peers, international organisations, IGOs, NGOs, and civil society. • Sharing our data, insights, and intelligence for the collaborative development of potential solutions to the world's environmental and social challenges. See the chapter Association and international initiatives membership, p. 25	CDP **A-** score **Bronze** medal in the EcoVadis Sustainability rating	

[13]At aluminium smelters.
[14]At aluminium smelters.

Sustainability value proposition in relation to climate



RUSAL 2025 GHG targets

-15% from electrolysis vs 2014

-7% per energy consumption smelters vs 2011

Climate change indicators and our progress 2020:

- ↓11% direct specific greenhouse gas emissions compared to 2014 level[16]
- ↓4% average specific electricity consumption compared to 2011 level[17]
- 112 thousand trees planted

Partnerships/active memberships 2020

- UN Global Compact
- CDP disclosures
- EcoVadis rating
- WEF – Aluminium for Climate Initiative

[15]LCA – Low Carbon Aluminium.
[16]At aluminium smelters.
[17]At aluminium smelters.

01

GOVERNANCE AND SUSTAINABLE DEVELOPMENT

36
Board meetings held

30,953
employees received training on anti-corruption.

8 out of 14
members of the Board of Directors are independent

$16.3 million
spent on R&D and innovations

1,800
employees trained in quality topics

426
messages received via the SignAL hotline

24
independent quality audits

Contribution to UN SDGs

1.1 CORPORATE GOVERNANCE

GRI 103-1, GRI 103-2, GRI 103-3

RUSAL adheres to the most advanced corporate governance standards. Good corporate governance ensures successful business development, increases investment attractiveness and the level of trust on the part of all stakeholders, and also contributes to the creation of long-term business value.

Strong governance, combined with a commitment to our core values, is vital for gaining the trust of all stakeholders, protecting our reputation, and generating long-term value. RUSAL's strategy focuses on encouraging the use of renewable resources, accountability in stewardship, and aligning the interests of individuals, corporations, and society. The corporate governance structure is continuously improving, and the Company's primary responsibility is to ensure that our corporate governance system complies with leading international standards. Everyone who works for RUSAL is held to high standards that must be met on a consistent basis. We recognise that adhering to ethical corporate values and standards is critical to our success. RUSAL's corporate governance system guarantees effective management supervision and transparency, in addition to reflecting the interests of all stakeholders.

The Company has developed and implemented its own corporate governance standards, based on the principles of transparent and sustainable business practices, through working with international organisations such as the International Finance Corporation. The Company always complies with applicable Russian laws, as well as the recommendations of the corporate governance code approved by the Board of Directors of the Central Bank of Russia on 21 March 2014 (the "Russian CG Code"). In its corporate governance practices, the Company is also guided by MoEx listing rules in addition to Hong Kong Stock Exchange (HKSE) CG Code and HKSE listing rules.

Shareholding structure of the United Company RUSAL, international public joint-stock company

GRI 102-5, GRI 102-7

Name of shareholder	31 Dec 2020	31 Dec 2019
EN+GROUP IPJSC (EN+, previously En+ Group Plc)	56.88%	50.10%
SUAL Partners Limited (SUAL Partners)	22.10%	22.50%
Free float	17.01%	16.61%
Zonoville Investments Ltd. (Zonoville)	4.00%	4.00%
Amokenga Holdings Ltd. (Amokenga Holdings)	-	6.78%
Mr. Oleg V. Deripaska	0.01%	0.01%
Total	**100%**	**100%**

Corporate governance bodies

GRI 102-18

The Company's corporate governance structure consists of the following key elements: The General Meeting of Shareholders, the Board of Directors (with eight Board committees), and the General Director.

The General Meeting of Shareholders is RUSAL's supreme management body. It operates in accordance with the laws of the Russian Federation and the Company's Charter and considers the most significant issues facing the Company. Voting at the General Meeting of Shareholders is carried out according to the one ordinary share, one vote principle.

GRI 102-26

The Board of Directors is a governing body. The key roles and duties reserved for the Board under the Company's Charter include, inter alia, the following:

- Determining priority areas of the Company's activities.
- Approving the Company's strategy and development programme, risk management policy, long-term and annual budgets, and preliminarily reviewing and approving the annual report and annual financial statements of the Company.
  HKEX para 10
- Making recommendations on remuneration and compensation paid to members of the internal audit committee of the Company.
- Approving the terms and conditions of contracts with the General Director and other senior management.

GRI 102-18, GRI 102-27

The Board has established eight committees to assist it in exercising its functions. The committees' primary function is to make recommendations to the Board on matters falling within their competence (see Figure Corporate governance structure).

GRI 102-23

The Chairman of the Board of Directors (the Chairman) and the General Director of RUSAL have separate and independent roles.

The Chairman is responsible for the Board of Directors' leadership and for creating the conditions necessary for the Board of Directors to function effectively. The Chairman is also in charge of chairing Board meetings, informing Board members about concerns raised at meetings, and ensuring the development of effective corporate governance standards and procedures.

GRI 102-26

General Director is in charge of the Group's day-to-day operations and ensuring that the Board of Directors' strategic decisions are carried out. The General Director's chief responsibility is to oversee the implementation of policies established by the Board, particularly in the areas of production and supply chain management, financial management, and corporate finance, sales, and marketing.

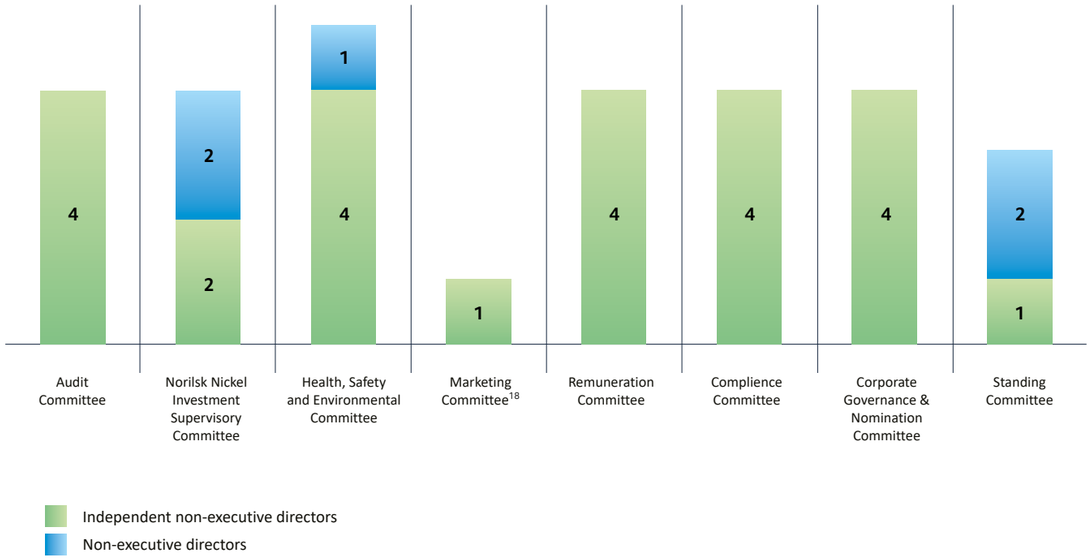
Board diversity

Authority of every member of the Board of Director expires at the annual general meeting each year and each of them may be subject for re-election, provided such re-election is not contradictory to applicable requirements of the listing rules.

GRI 102-22, GRI 102-23

As of 31 December 2020, the Board consisted of 14 members: eight independent non-executive directors, three non-executive directors, and three executive directors. The Chairman of the Board of Directors is Bernard Zonneveld, an Independent Non-Executive Director. The Company complies with applicable Russian CG Code requirements relating to the number of independent directors that should be members of a board of directors

Independence of Board committees, 31 December 2020



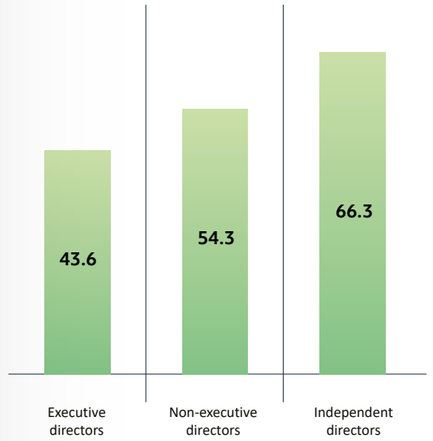
The Company is represented by eight elected independent non-executive directors to strengthen and diversify the Board of Directors, in line with our adherence to the highest standards and principles of environmental, social, and corporate governance. The Board has also recognised that all independent non-executive directors comply with the independence criteria set forth in the Russian CG Code and MoEx listing rules.

The current Board of Directors constitutes an acceptable combination of directors that provide the Company with enough independent checks and balances, as well as an appropriate governance framework. All the independent non-executive directors have committed to notify the Hong Kong Stock Exchange and the Securities and Futures Commission as soon as possible if their autonomy is compromised.

[18]This committee may also include persons who are not members of the Board of Directors.

Average age of Board members

GRI 102-22 GRI 405-1



Average tenure of Board members

GRI 102-22

All independent non-executive Directors have relevant and adequate industry or finance expertise and credentials to be able to carry out their duties and protect the Company's shareholders' interests.

With a view to achieving a sustainable and balanced development, the Company recognises that raising the level of diversity of the Board is an essential element in supporting the attainment of its strategic objectives and sustainable development. When formulating the make-up of the Board, Board diversity is considered from a number of aspects, including gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. All Board appointments are based on the principle of meritocracy, and candidates are considered against objective criteria, and with due regard for the benefits of Board diversity.

The Company embraces having a diverse Board and recognises how this feature can enhance the quality of its performance. The current mix of skills, experience, and other diversity criteria of directors, including gender, age, nationality, and educational background, provides for a balanced Board composition.

GRI 405-1, GRI 102-22

Importantly, RUSAL is served by an independent non-executive female director, who has relevant qualifications and experience.

For more information on the corporate governance bodies and attendance at Board meetings, see the 2020 Annual Report, Corporate Governance section, p. 150 – 157.

Corporate governance structure

GRI 102-18, GRI 102-19

General Meeting of Shareholders

Board of Directors

Chairman of the Board

General Director

Audit Committee

- Provides an independent view of the Company's financial reporting process, risk management and internal control systems, and internal audit function.
- Oversees the audit process.
- Performs other duties and responsibilities as delegated by the Board.

Corporate Governance and Nominations Committee

- Develops, recommends, and annually reviews corporate governance principles, policies, and procedures for the Company and its combined subsidiaries.
- Oversees corporate governance matters, reviews and monitors directors and senior management's training and professional development.
- Reviews the Company's compliance with the Russian CG Code and HKSE SG Code.
- Makes recommendations in respect of candidates for election to the Board.

Remuneration Committee

- Makes recommendations to the Board of directors, the General Director, the Corporate Secretary and senior management's remunerations.
- Supports the Board in overseeing the administration of the Company's compensation and benefits programmes.

Marketing Committee

- Reviews the Company's marketing strategy, recommends the appointment and removal of marketing directors for aluminium and alumina divisions.

Standing Committee

- Assists the Board of Directors in different matters, including those, which relate to subsidiaries of the Company.

Health, Safety, and Environmental Committee

- Oversees the Environmental Policy, Occupational Safety Policy, and environmental and climate-related risk management.
- Evaluates the implementation of health and safety programmes, including across the supply chain.
- Monitors the attainment of the Company's environmental and labour protection goals.
- Assesses compliance with regulatory requirements and commitments.

Norilsk Nickel Investment Supervisory Committee

- Makes voting recommendations to the members of the Board of Directors of Norilsk Nickel nominated by RUSAL.

Compliance Committee

- Ensures the formation of a compliance management system within the Group.
- Takes part in the development of policies and other internal regulations of the Company relating to matters of compliance, and consistently following up on their observance, ensuring that adequate compliance control is in place at the Group.

Remuneration of the Board of Directors members and top management

GRI 102-35, GRI 102-36

The Remuneration Committee of the Board of Directors is established to prepare and revise the Company's remuneration policy; make recommendations to the Board on the remuneration package of the directors, General Director, Corporate Secretary, and senior management; and assist the Board in overseeing the administration of the Company's compensation and benefits plans. Remuneration policies are determined on the basis of an employee's qualifications and performance, as well as the complexity of their job. Wages for each employee are generally reviewed annually and revised based on a performance assessment and local labour market conditions. For more information about the personnel incentive system, see the chapter Motivation and remuneration, p.110.

In 2020, total pay to directors stood at around USD7.3 million, which included directors' fees, salaries, allowances, benefits in kind, and discretionary bonuses. All non-executive Directors are entitled to receive Director's fees and additional fees for being a member of a Board committee or chairing a Board committee.

For more information about remuneration, see the 2020 Annual report, p.144.

Remuneration, year ended 31 December 2020, USD thousand

GRI 102-35

	Directors' fees	Salaries, allowances, benefits in kind	Discretionary bonuses	Total
Executive Directors				
Evgenii Nikitin	—	1,537	1,156	2,693
Evgenii Vavilov	—	32	5	37
Evgeny Kuryanov	—	194	14	208
Non-executive Directors				
Marco Musetti	307	—	—	307
Vyacheslav Solomin	308	—	—	308
Vladimir Kolmogorov	246	—	—	246
Independent Non-executive Directors				
Bernard Zonneveld (Chairman)	1,445	—	—	1,445
Christopher Burnham	294	—	—	294
Nicholas Jordan	306	—	—	306
Elsie Leung Oi-Sie	295	—	—	295
Kevin Parker	321	—	—	321
Evgeny Svarts	187	—	—	187
Randolph Reynolds	285	—	—	285
Dmitry Vasiliev	338	—	—	338
Maksim Poletaev	63	—	—	63
Total	**4,395**	**1,763**	**1,175**	**7,333**

1.2 RISK MANAGEMENT AND INTERNAL CONTROL

GRI 102-30, GRI 102-33

RUSAL has a well- developed internal control and risk management system (the System), which forms part of the corporate governance system and ensures that the Company's operations are effective and well aligned with its strategic objectives. The System is designed to determine the nature and extent of risks; safeguard the assets of the Company; and ensure correct, reliable, complete, and timely financial reporting. The System also promotes ethical values, good corporate governance, and ensures regulatory compliance.

The internal control framework is designed to safeguard properties; enhance business processes; ensure that the Company's financial, economic, and other operations comply with legal requirements; and maintain an acceptable control climate. The Audit Committee oversees the financial reporting process, the audit process, the Company's internal control system, and legal and regulatory enforcement. The main participants and authorized bodies that act in this area are the owners of business processes are the Directorate for Control, Internal Audit and Business Coordination, the Audit Committee, as well as Review Commissions of the Group's companies and production enterprises.

In 2020, the Directorate for Control, Internal Audit and Business Coordination conducted more than 80 audits (including both planned and unscheduled). Based on the results of the implemented audits, the Directorate for Control, Internal Audit and Business Coordination quarterly reports to the Audit Committee of the Board of Directors.

In 2021, the Directorate for Control, Internal Audit and Business Coordination plans to conduct audits of the effectiveness of processes in production, transport and logistics, logistics and others.

Risk management

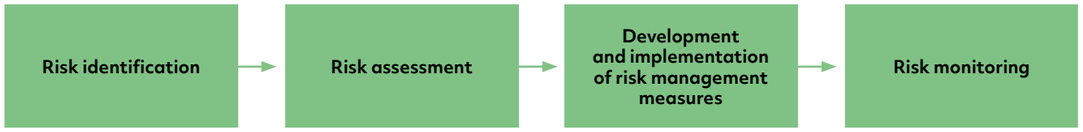
The Directorate for Control oversees the risk management system's methodological support. The policy of the Risk Management and Internal Control System is the main internal document governing the risk management system and determines the general concept of the risk management process and respective employee obligations.

The Company's Risk Management Regulations organise the risk management process and include a description of the key tools and methods for identifying, assessing, and reducing the negative effects of any risks that arise.

The Audit Committee receives quarterly reports from the Directorate for Control on the status of serious risks. In these reports the Directorate for Control provides details on the risk management system, the outcomes of risk register planning, emerging risks, and risk mitigation for various types of risks.

RUSAL pays great attention to creating an effective risk management strategy in order to minimise the negative effects of potential risks and to ensure safe and sustainable business growth. The Company aims to promote a risk-aware culture among all its employees, including those directly engaged in day-to-day operations. Such an attitude to risk management raises risk awareness and enables the Company to respond to changes in the business environment on a timely basis.

Risk management process



For more information about the Risk management system, see the 2020 Annual Report, p.163.

Key sustainability risks

GRI 102-15, GRI 102-29

RUSAL's corporate risk management system covers sustainability risk management. Risk management is an integrated mechanism that is geared towards collecting and disseminating information about risks within the company at all management levels. The Directorate for Control monitors and oversees the risk management process in compliance with the Company Risk Management Regulations. The Directorate for Control is also in charge of the methodological aspects of risk management, while business units deal with organisational management and the implementation of anti-corruption and anti-fraud procedures.

The Company's risk management strategy includes identifying and analysing risks, planning and implementing risk mitigation measures, reporting on risk management results, and reviewing the risk management system's effectiveness. RUSAL endeavours to protect the atmosphere and safeguard natural resources by adhering to the precautionary principle. RUSAL assesses social and environmental threats, potential risks to the business, and initiatives aimed at preventing and mitigating negative impacts on the ecosystem.

The Company understands its impact on society and ecosystems as a global producer of aluminium. For this reason, the precautionary principle, introduced by the United Nations in Principle 15, The Rio Declaration on Environment and Development, underpins all the operations at all RUSAL facilities to minimise the adverse consequences of the Company’s activities.

GRI 102-11

Key sustainability risks

Risks	Description	Risk management actions	Report
Environmental	Risks associated with damage to the environment and incidents related to air emissions, water, and waste. Risks associated with damage to environmental systems and the Company’s equipment. Risks associated with inadequate environmental appraisals and the non-receipt of required permits	• In order to reduce respective risks, the Company monitors environmental legislation and implements a range of environmental protection activities (e.g., monitoring bauxite residue disposal areas). • Certification of most RUSAL operations under ISO 14001	**P. 125**
Health and Safety	Risks related to the health and safety of employees	In order to prevent accidents, the Company has created a system to manage health, industrial, and fire safety (including assessing risks in this area); holds trainings for employees; implements programmes and activities to ensure safe working conditions; and conducts management audits.	**P. 81**
Social	Risks associated with labour law violations, fraud, and illegal enrichment. Risks related to socio-economic instability in the regions where the Company operates.	• Regular sessions with staff, management, and trade unions are held to discuss these issues. • Supporting social, infrastructure, educational, and cultural programmes. • Informing employees about the principles set forth in the Corporate Code of Ethics, the Business Partner Code, and Anti-Corruption Compliance Policy. • Operating the whistleblowing hotline	**P. 63**
Corporate risks	Related to the business environment affecting the financial results of the Company, including political, legal, and other risks.	• Figure 1. A risk management system has been implemented. • Figure 2. Risk owners were trained in risk assessment and root cause analysis.	**P. 63**

RUSAL also identifies and addresses emerging risks in particular climate-related risks. For more information about climate risks, see the chapter Climate change and energy, p. 147.

1.3 SUSTAINABILITY GOVERNANCE

HKEX Para 10, HKEX Para 13, GRI 102-27, GRI 102-29, GRI 102-32, GRI 103-1, GRI 103-2, GRI 103-3, ASI PS 2.2

Sustainability management is enshrined within the Company's corporate governance system. RUSAL is continuously developing and improving this system, and rigorously ensures that it is in compliance with the best international standards and practices.

Sustainability management is distributed among the Board of Directors and its committees, the General Director, the functional units, as well as the relevant business units of subsidiaries.

The Board of Directors and the Board's committees have overall responsibility for the Company's Environmental, Social, and Corporate Governance (ESG). The Board of Directors has collective responsibility for the management of the Company and its operations, including but not limited to responsibility for shaping health, safety, fire and environmental strategies; assessing and determining ESG risks, including those related to employee health, industrial and fire safety and environmental impacts; ensuring the operation of management systems for health, industrial and fire safety, environmental protection and internal control. In 2020, Health, Safety and Environmental Committee held 4 meetings, including 1 held in the form of absentee voting. At these meetings, the Committee considered, inter alia, issues related to the implementation of the Company's environmental goals, a report on occupational health and safety, the impact of the coronavirus pandemic on the Company's activities, as well as a report on the Carbon Disclosure Project (CDP). The Board of Directors has established an audit committee to assist the Board in, among other things, independently assessing the effectiveness, systems of internal control and risk management, including ESG risks. The audit committee is assisted by the Company's internal audit function, which carries out both regular and ad hoc reviews of risk management systems. GRI 102-26, GRI 102-31

The General Director and the business units and subsidiaries are responsible for the development and implementation of policies, action plans, and initiatives on aspects of sustainable development, in accordance with their business functions.

The management divisions also responsible for overseeing sustainability determine the contents of the Sustainability Report and collect and analyse the required information. In addition, management divisions address issues to improve practices related to sustainable development.

Responsibility for addressing the ESG aspects of sustainable development, as well as holding consultations with RUSAL stakeholders, is exercised by employees within related services; the results of their work are brought to the attention of top management under existing corporate governance procedures.

Standards and principles

The work of RUSAL in the area of sustainable development and corporate social responsibility is based on best practices as well as international and Russian standards and principles, including:

- The Principles of the UN Global Compact
- The UN Sustainable Development Goals (UN SDGs)
- The Provisions of the Social Charter of Russian Business
- The Provisions of the International Standard ISO 26000:2010
- The Aluminium Stewardship Initiative (ASI) Performance Standard and ASI Chain of Custody Standard.

Key documents

RUSAL's management approach to sustainability is governed by a number of corporate codes and policies. The main internal documents regulating sustainable development in the Company are available on corporate site Approach and policies.

Organisational structure of sustainable development governance

GRI 102-20

▷ Corporate level

The Board
retains overall responsibility
for the Company's ESG governance

The Board's committees responsible for sustainable development:

- Audit Committee
- Health, Safety, and Environment Committee
- Corporate Governance and Nominations Committee
- Compliance Committee
- Remuneration Committee

General Director
responsible for delivering
the sustainability strategy

Sustainability related directorates and departments

Technical Directorate
- Health, Safety and Environmental Protection Department
  - Environmental Regulation and Control Unit
  - Health, Industrial and Fire Safety Unit
  - Greenhouse Gas Emission Regulation Unit

Human Resources Directorate
- Compensation, Benefits and Organisational Development Department
  - Personnel Development and Corporate Culture Department

Public Relations Directorate
- Communication and Social Projects Department

Directorate for Control, Internal Audit and Business Coordination
- Internal Audit and Business Analysis Department
- Department of Control and Special Audits
- Pricing and Commercial Control Department

Production Development Directorate
- Business System Development Department

Quality Management Directorate
- Quality Management Systems Department
  - Complaints and Consumer Feedback Analysis Department
    - Procurement Quality Department
      - Department of long-term planning of quality

Sales Directorate
- Sustainability Marketing Department
  - Quality Assurance Department

Business Support Directorate
- Quality Assurance and Production System Development Department
  - Supplier Audit Department

Compliance Director
- Compliance Department

Strategy and Investor Relations Directorate
- Mergers and Acquisitions Department

Directorate for Legal Affairs

▷ Operational level

Functional areas and units of operations

Management of segments and units of operations

1.4 OPERATIONAL EFFICIENCY AND INNOVATIONS

GRI 103-1, GRI 103-2, GRI 103-3

RUSAL adopts a systematic approach to manage operational efficiency and cultivate an environment that facilitates the development of personnel and a culture that ensures that the Company's production and business processes are continuously improved. RUSAL has successfully established and implemented the Business System (BS) and quality management system (QMS). Having high-quality management processes is a prerequisite for achieving high-quality products and services.

RUSAL conducts on an ongoing basis research and development (R&D) activities to implement the best-available technologies, which facilitate a more rational use of natural resources and enhanced environmental safety.

The Company invests in its own engineering and technology base, developing innovative technologies and products and retrofitting production facilities.

The mechanism for assessing the effectiveness of the management approach to operational efficiency and innovation is represented by regular verification of the achievement of relevant KPI indicators by employees and management.

Business System

The RUSAL Business System (BS) seeks to develop personnel and create a culture geared towards the continuous improvement of the Company's production processes. It ensures a systematic approach to the application of tools to boost efficiency and promotes the introduction and proliferation of the RUSAL production system. The BS is established on a Company-wide scale, including overseas assets, and helps employees reach their full potential and advance their skills.

The BS is based on the TOYOTA Production System (TPS), which encourages the continuous improvement of production processes, promptly responding to customer needs, and retaining the position of being a successful company in the world market.

BS development initiatives include steering committees, kaisen workshops, an Improvement of the Year competition and Business System – 250 programme.

Targets and strategic priorities

- Fostering a culture of continuous improvement in production facilities
- Reducing dependence on raw materials
- Reducing costs and boosting production efficiency
- Producing new types of products for which there is market demand.

Who is in charge?

- The Production Development Directorate
- The Quality Management Directorate
- The Technical Directorate
- The Business Support Directorate
- The Business System Development Department
- The Engineering and Technology Centre

Which guidelines do we follow?

- The Quality Policy
- The Quality Manual
- The regulation "Problem Solving: Structured Team Method for Solving Global 8D Problems"
- The standard "Solving Chronic Quality Problems Using the 6-Sigma Methodology and the VRT Approach"
- The standard "Consumer Claims Management"

Steering committees

In order to develop a business system at production facilities, steering committees have been set up. In 2020, four onsite steering committees were held with the participation of heads of divisions and members of the Executive Committee including Krasnoyarsk Aluminium Smelter, K&K[19], Achinsk Alumina Refinery, Volgograd Aluminium Smelter and others.

Kaisen workshops

Kaisen workshops[20] are an effective tool for optimising production processes and standardising technology operations, which allows employees to implement proposed improvements. These workshops operate at 10 RUSAL production facilities in the Aluminium, Alumina, and Downstream Divisions, as well as in the New Projects Directorate. In 2020, 11,816 proposals to optimise production and standardise technology operations were received from RUSAL employees and 94% of which were implemented.

Improvement of the Year competition

The annual Improvement of the Year competition is held in five categories: security, quality, performance, cost effectiveness, and theory of inventive problem-solving. Proposals received from employees are evaluated, and the winning ones implemented in the production process. Each year RUSAL receives a significant social and economic benefit from implementing these proposals. In 2020, 1,148 employees took part in the Improvement of the Year competition, 48 more than in 2019. The economic effect achieved from the implemented kaizen proposals and projects from the competition in 2020 was USD8.5 million.

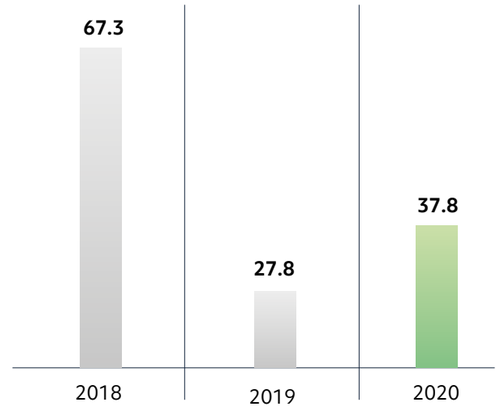
BS-250 programme training

The implementation of the BS requires maximum participation, understanding, and interest on the part of all Company's employees, including top management. Therefore, the fundamental elements of BS management are personnel development and training in management tools and a process for identifying production leaders (BS-250 programme). In 2020, 574 people took part in the BS-250 programme. 73 participants of the 2018 recruitment intake graduated, of which 16 received diplomas with honours. In 2020, 76 participants were appointed to senior positions, and four were appointed to the position of Managing Director or CEO.

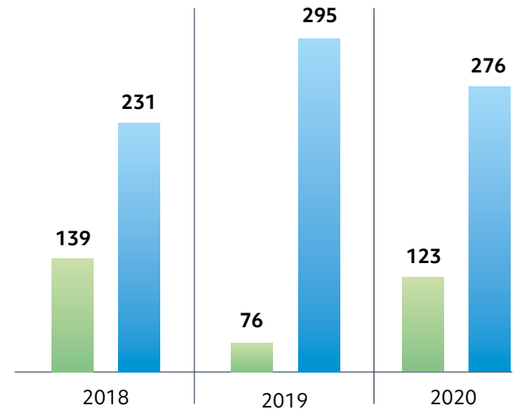
2020 BS performance and results

In 2020, previous projects were continued and new ones instigated in order to reduce costs and boost equipment efficiency. In the reporting period, 123 BS development projects and 276 onsite projects were implemented, which created a total economic effect of over USD 37.8 million. 10,128 colleagues took part in 312 trainings in the field of organising and improving the production process

Total economic effect of implementing BS introduction measures, USD million 2018–2020



Number of projects to develop BS and number of onsite projects, 2018–2020



[19]Previously «K&K». In 2020, the enterprise was renamed into the Production Complex LLC LMZ SKAD in Krasnoyarsk (SKAD wheels factory).

[20]Production sites for pilot application and approbation of personnel rationalization proposals.

Cost reduction and supplier development projects

Project
"Building an efficient flow of liquid pitch supplies to Novokuznetsk aluminium smelter by road".

The supply of liquid pitch by motor transport was organized from 0 to 2,205 tonnes / month. Decrease in the turnover time of railway thermo-tanks (NkAZ-EVRAZ ZSMK) from 37 to 30.6 days.

The number of rented railway thermo-tankers has been reduced from 63 to 33 units.

Project
"Reducing the price of aluminium fluoride produced by ICF (Tunisia) by increasing the loading of containers."

Delivery of trial lots of aluminium fluoride from Tunisia in containers by sea with a weight of 27 tonnes was organized using a new loading and packaging scheme, intra-plant logistics for unloading containers was developed. The container loading has been increased from 25.5 to 27 tonnes.

All goals announced for 2020 were met in full, including:

Goals	Performance
Organising and conducting audits on the implementation of the BS at Company enterprises, in accordance with the schedule for 2020.	At 16 Company enterprises, 24 audits were carried out to assess the level of BS implementation. The results of the audits were provided to the heads of the enterprises.
Implementing the project The Impact of Physical Activity on the Development of Occupational Diseases.	The project activities were successfully implemented throughout the year. At the KrAZ enterprise, a separate team is involved in the development of changes and improvements aimed at reducing physical activity. Complexes of exercises for stretching muscle groups have been developed for operators involved in the performance of basic work; the use of fixing elastic belts has been tested; vitaminisation was carried out. Devices for processing equipment have been developed and implemented: a peak for punching a crust and mixing electrolyte, a ladle for raw material delivery. The level of mechanization when performing technological treatments has been increased from 45 to 52%. The project is currently ongoing.
Organising methodological support for the talent pool internship programme in 2020.	Trainings for the Management Company employees (five people) were organised, based on the minutes of the meetings of the Committee For the Preparation of the Personnel Reserve. Also, the Quality Management Department underwent practical training at KrAZ two employees). In the 2019–2020 academic year, the principles of BS discipline were taught at the School of Non-Ferrous Metals and Material Science and PI (at four departments). By the end of the 2019–2020 academic year, 128 students had been trained.

Plans for 2021 and the midterm

- Organise trainings for BS 250 candidates and the personnel reserve for key positions at the Company's enterprises.
- Organise and conduct the factory and corporate stages of the Improvement of the Year 2021 competition.
- Conduct audits on BS implementation at Company enterprises, in accordance with the schedule for 2021.
- Implement the Impact of Physical Activity on the Development of Occupational Diseases project.
- Methodological support for a programme to organise internships for the personnel reserve in 2020.

Quality Management System

Implementing standards

In order to create a uniform process and approach to all aspects of the Company's activities, RUSAL has implemented a quality management system (QMS), which facilitates the efficient operation and interaction of business processes. The RUSAL QMS fosters the continuous improvement of all processes and enhances the management of quality related risks and opportunities and is geared towards preventing issues from arising and reducing supply chain variations.

High quality management processes is a key factor in achieving high quality products and services. The main Russian and foreign enterprises of RUSAL are certified under ISO 9001 (25 enterprises in total). Five aluminium smelters and a wheel rim plant, which includes two production sites, are certified under the IATF 16949 international standard for automotive suppliers, and two companies in the foil rolling business are certified under FSSC 22000 (a food safety certification system).

The Quality Policy establishes uniform requirements and principles for all enterprises of the Company. Based on this policy, a Quality Strategy has been developed, and divisions set goals for its implementation annually. The attainment of goals that have been set is ensured by cascading down to functional units key performance and efficiency indicators; respective reports are subject to review at every level, including the Executive Committee.

In order to regulate activities in the business units of the Company, quality management meetings are also held, and a two-tier system of internal audits of systems, processes, and products is organised, which assesses respective conditions and identifies areas for improvement. In the divisions and at production sites of the Company, the Quality Management Directorate organised 32 internal corporate audits for compliance with international quality standards in 2020, as well as 24 independent quality audits by the certification body. As a result of COVID-19, some audits were carried out remotely using modern forms of telecommunication.

Complaints management is regulated by the Quality Management Directorate, with participation from the Sales Directorate, production units and divisions, and the Engineering and Technical Centre. This process consists of receiving complaints, processing them, analysing problems, providing a response, taking corrective actions, and seeking to replicate best practices.

To boost the efficiency of the process, in 2020 the unit for replicating corrective actions and best practices in the CRM system for analysing claims was automated.

Quality development strategy

In 2020 an updated roadmap for 2019–2022 was adopted as part of pursuing the Development Strategy for Quality. Key changes included the introduction of a statistical process management (SPC) culture at all levels of the organisation and developing a corporate-wide rating management system for RUSAL as a supplier. To implement the strategy, key KPIs were identified, which are communicated to all levels of the Company. In 2021 RUSAL plans for the roadmap to embrace a five-year perspective.

Improvement programmes with key customers

In 2020, the principle of setting goals for focus improvement programmes with key customers was changed from being quantitative to qualitative. Now there is a KPI related to the mandatory attainment of a benchmarking result, namely:

- achieving / maintaining the status of master-supplier with the consumer
- an increase in the volume of supplies for a given consumer
- expansion of the line / range of supplied products
- expanding the geography of supplies to other enterprises of the consumer
- signing a partnership agreement

This helps us to attain specific business goals throughout the Company, applying respective best practices and quality management tools.

In 2020, aluminium smelters achieved the benchmarking results for nine focus improvement programmes. Focus programmes are being implemented in other production divisions in a similar way.

Quality assurance and product recall procedures

HKEX KPI B6.1, B6.2, B6.4

The quality of all RUSAL products is confirmed by the presence of various certificates and declarations, such as RoHS, REACH, and others, that is why there are no cases of recall of sold or shipped products for safety and health reasons in the Company.

Nevertheless, in 2020, 159 claims were received for all the Company's products

Number of complaints received related to the Company’s products and services by division

GRI 417-2

Responsible department	Number of complaints
Aluminium division	113
Directorate for Transport and Logistics	27
Sales Directorate	8
Silicon and RCU	3

The Company's complaint handling methods are regulated by several regulations and standards: the regulation "Problem Solving: a Structured Team Method for Solving Global 8D Problems", the standard "Solving Chronic Quality Problems Using the 6-Sigma Methodology and the VRT Approach" and the Standard "Consumer Claims Management".

The regulation "Problem Solving: Structured Team Method for Solving Global 8D Problems", structured in 8 steps, a team method for solving problems (of the product, process, or system), is aimed at identifying the reasons and developing measures to eliminate them, to protect the consumer during subsequent deliveries, to exclude the production of non-conforming products, to exclude the repetition of the problem, to replicate actions for similar processes and products, to improve the effectiveness and efficiency of the problem-solving process.

The Standard "Solving Chronic Quality Problems Using the 6-Sigma Methodology and the VRT Approach" approved in 2020 in the Company is aimed at solving chronic product quality problems in the Company's production divisions, as well as in the directorates that are responsible for supporting functions (engineering and technical support, transportation, sales, interaction with consumers).

The standard "Consumer Claims Management" establishes requirements for the process of managing consumer claims for the supply of commercial products made of aluminium and aluminium alloys - from registering a claim to evaluating the effectiveness of corrective actions.

The management of quality assurance and product recall procedures is the responsibility of:

- Quality Management System Department (the process of ensuring the continuity of production);
- RUSAL's Department of Advanced Product Quality Planning (production planning process);
- Complaints Analysis Department (the work is carried out following the Regulation “Problem Solving: a structured team method for solving Global 8D problems”, regulating immediate response actions from describing the problem through the eyes of the consumer to the introduction of deterrent actions.

Quality training for employees

The RUSAL Quality Academy develops employees and the talent pool in terms of the practical application of quality approaches and tools and professional competencies. All newly hired employees undergo compulsory training in a basic quality related course.

On a regular basis, personnel are trained in the requirements of the international standards ISO and IATF, as well as in quality tools, such as an analysis of modes and the consequences of failures (FMEA), statistical process control (SPC), analysis of measuring systems (MSA), and advanced quality planning products (APQP). In 2020, 1,800 employees were trained on 19 quality topics. Also, a 15-hour training programme was implemented for 132 employees from non-production directorates of the Company on the technical minimum requirements related to quality.

The practical skills of employees are enhanced and developed via the application of quality tools by VRT (Variability Reduction Team) teams, which apply the 6 Sigma methodology in the DMAICR (Define-Measure-Analyse-Improve-Control-Replicate) format on projects to continuously improve product and process quality. In 2020, six teams from Aluminium Division plants carried out and successfully completed work to solve issues pertaining to each type of product. The Downstream division is continuing to work on projects launched in 2019-2020.

In total, these projects made it possible to achieve the goals set vis-à-vis reducing internal deficiencies and improving metal purity indicators.

At the Sayanogorsk Aluminium Smelter a pilot project was launched to build and automate the quality competence management process, which allows a person to see in real time the level of personnel compliance with professional quality requirements and plan training based on respective functions and skills, in order to achieve the goals set for the enterprise.

Plans for 2021 and the midterm

The Company has set both qualitative and quantitative goals to track progress in the quality management system, including the efficiency of considering customer applications, making technological processes more stable, focus programmes for improving customer interaction, and response times to customer requests.

To increase the level of personnel involvement, the competency management process has been adopted for a phased implementation at Company enterprises

Innovations

Over the past 20 years, the way of making investment decisions in RUSAL has changed: the Company's management now assesses any project primarily from the point of view of the impact that it will have on the environment. RUSAL's innovation projects are developed with industrial and economic feasibility in mind, as well as environmental factors. The Company has implemented its own Climate Goals up to 2025, aimed at achieving carbon net-zero, and also supports a recent target from En+ and RUSAL to reduce scope 1 and 2 greenhouse gas emissions by 35% by 2030 and achieve a carbon net-zero level by 2050 (against 2018 emissions).

In 2020, RUSAL invested a total of USD16.3 million in R&D and innovations.

In an attempt to become the most efficient and environmentally friendly aluminium producer globally, RUSAL strives to develop a robust technological base within the Company. We concentrate our R&D competences in research centres and institutes which are part of the Company's structure, including:

- The Institute of Light Materials and Technologies (ILM&T)
- The Russian Aluminium and Magnesium Institute (VAMI)
- The Siberian Scientific Research and Design Institute of the Aluminium and Electrode Industry (SibVAMI)
- The Engineering and Technology Centre (RUSAL ETC)

ILM&T is a recognised research and production centre of aluminium-based materials and products for various industries. The primary objective of the institute is to develop, innovate, and launch new varieties of aluminium-based products and materials onto the market.

New types of products

The MaxiFlow line of high-tech materials was developed to produce pressed semis; the alloys are distinguished by higher pressing speeds, with other consumer properties remaining unchanged. Maxiflow alloys are supplied to Europe and Asia. In 2020, sales exceeded 70 thousand tonnes.

In addition to Maxiflow soft alloys, RUSAL has tested new hard 6005A and 6061 alloys. The new alloys demonstrate a higher extrusion rate than those of basic options.

The Aluminium Association registered sparingly alloyed scandium containing material as 5081 (0.1 Sc) and 5181 (0.03 Sc). These semi-finished alloys are being tested in marine and automotive applications by customers in Europe.

In 2020, the Krasnoyarsk aluminium smelter (KrAZ) completed the Company's first pilot testing casting complex. The project achieved its objectives:

- move main tests from regular casting machines to this casting complex;
- reduce the time it takes to begin the mass production of new product sizes and alloy grades; and
- create a training centre for engineers and workers.

In 2020, the testing facility performed over 40 test jobs for smelters.

In 2020, the casthouse at the IrkAZ commissioned and launched the operation of the Kabmak line ahead of schedule. The design production output of the line is 10 thousand tonnes/year. The smelter expanded its product range and began producing a new type of aluminium wire rod: waxed wire rods. During the production of this rod, it is coated with a very thin film of oil that expedites the unwinding of the wire rod coils at the customer site; the rod is in high demand in the US market. The smelter produced and shipped to customers over 200 tonnes of the trial product.

A new wire rod production machine was successfully installed. The machine produces wire rod by pressing and rolling an ingot and is based on ExtruFORM (RUSAL know-how). This unit has a production output of up to 4 tonnes/hour and is equipped with a number of new functions and capabilities that make it possible to produce a wide range of wire rod from aluminium and its alloys; these are in great demand in the market.

The Achinsk alumina refinery has continued with the construction of a production area producing a high-margin product using RUSAL's own technology: highly dispersive precipitated aluminium hydroxide Ecopyrene used as antipyrenes, a fire retardant. Low production costs here are achieved thanks to the use of Achinsk refinery's solutions, which are prepared using a unique technology to process nepheline. The project is aimed at substituting imports, as 100% of highly dispersive precipitated aluminium hydroxide is currently supplied to Russia from abroad.

Additive manufacturing at ILM&T

Today a promising area of work at the ILM&T is the creation of a high heat-resistant aluminium alloy adapted for 3D printing, which will be able to perform at temperatures of up to 400°C. New alloys, powders, and composites were created for additive technologies, with up to 50% increased strength and operating temperatures.

In 2019, the ILM&T launched a new range of unique aluminium alloys for 3D printing, which performed significantly better than analogues. These products have since been utilised in the fields of medicine, mechanical engineering, and the space industry. In December 2020, RUSAL successfully completed a closed additive manufacturing cycle at the ILM&T.

The opening of a new additive powder manufacturing site and the installation of new equipment, including an atomiser and powder sizing and packaging line, made it possible for RUSAL to launch a complete production cycle at its own research and development centre. This will enable the ILM&T to develop unique, high-strength, and heat-resistant aluminium-based materials specifically designed for additive manufacturing, thereby providing an entire range of turnkey services for RUSAL customers. These services range from material creation and printing technology to engineering and optimising parts for printing technologies. The new equipment also allows for the production of a significant variety of materials, due to its quick changeover capacity.

RUSAL ETC has become the Company's main scientific and technology base at which RUSAL implements R&D projects in the field of reduction, casting, and alloy technologies, the development of innovative equipment, the environment, and production waste recycling. For the needs of the Company we not only radically improved technologies at existing plants, but also developed a line of the most advanced solutions for the production of aluminium: RA300, RA400, and RA550. The Company has already converted over 3,350 pots to energy efficient operations and over 2,030 pots to a green lining from unshaped materials. Not only did the new solutions confirm the environmental effect of the lining (the alumosilicate waste rate dropped 60–80%, and alumosilicate was replaced with recycled carbon materials); but economic efficiency increased: the pot rebuild cost declined by 20-30%.

Inert anode technology

Inert anode technology enables classic carbon anodes to be replaced with inert non-consumable materials – ceramics or alloys. Using inert anodes in the reduction process is recognised as a revolutionary solution in metallurgy, as it completely eliminates emissions of greenhouse gases (CO_2, C_2F_6 and CF_4), polyaromatic hydrocarbons, benz(a)pyrene, and sulphur from the reduction process, and also significantly reduces the cost of production by saving anodes.

> *Using inert anode technology, one cell can generate the same volume of oxygen as 70 hectares of forest*

In 2020, RUSAL began testing operations for a pilot industrial electrolytic cell with inert anodes, which has an improved design and a record low carbon footprint. The new pilot model will replace the inert anode electrolytic cell already being tested by RUSAL as the next step in the development of innovative carbon-free aluminium cell technology.

The new generation of inert anode electrolytic cells has a number of fundamentally new technical solutions that can improve the purity of aluminium produced, reduce the carbon footprint to a record low level of less than 0.01 t CO_2 eq / t aluminium (direct and indirect greenhouse gas emissions). This is ten times lower than the industry average for aluminium production. The capacity of the experimental electrolyzer will reach about 1 tonne of aluminium per day at a current strength of 140 thousand amperes. A new anode device design was elaborated, operating on the principle of localised gas removal, allows power consumption to be reduced by 200–250 kW/h * t, and halve the volume of removed gases – this significantly lowers the cost of building gas cleaning units.

Energy efficient RA-400T electrolysers at Taishet aluminium smelter

The new high-tech Taishet aluminium smelter (TAZ), will be one of the largest non-ferrous smelters in Russia and one of the most environmentally friendly aluminium smelters in the world.

The Taishet plant will be equipped with modern dry gas cleaning systems with a capture efficiency of over 98.5%, and with energy efficient RA-400 T modification electrolysers with automatic alumina supply systems, which will also minimise harmful emissions. Today RA-400, developed by RUSAL ETC, is one of the most powerful electrolysers in the world, with a production capacity of around three tonnes of aluminium per day. Upon the launch of the first series, the TAZ production facility will comprise two electrolysis units, a foundry, anodic and energy units, as well as infrastructure facilities.

Taishet Anode plant

The construction of the Taishet anode plant was based on know-how developed at RUSAL ETC. The plant is audited by R&D Carbon Ltd, a global leader in the field of roasted anodes. Pre-baked anodes will be used in the Company's own heavy-duty energy efficient and environmentally friendly electrolysers, which will be installed at the Taishet smelter. In addition to the TAZ, fired anodes will be supplied to other RUSAL smelters: the Sayanogorsk, Boguchansk, and Krasnoyarsk smelters.

The first stage of the anode plant was brought to design capacity in 2020: the first baked anodes were offloaded on 13 April 2020, while the second stage is planned to be commissioned in 2024. The capacity of both stages will allow 420 thousand tonnes of calcined coke per annum and 400 thousand tonnes of baked anodes per annum to be produced.

Investment in the project exceeds USD 721 million. The implementation of such a large-scale project will ensure 100% localisation of anode production, eliminate the consumption of imported products and, as a result, reduce dependence on external suppliers.

Energy efficient RA-500 reduction cells at Sayanogorsk aluminium smelter

Another RUSAL ETC RA-550 technology of high-capacity and featuring resource-saving reduction cells operating in a pilot pot room at the Sayanogorsk Aluminium Smelter has demonstrated the following results:

- The RA-550 pots are highly energy efficient (energy consumption is below 12,800 kW*h/t; current efficiency is 96%).
- The technology is environmentally-friendly (fluoride emissions are below 0.15 kg/t).
- The longest lifetime among benchmarks was confirmed.

Eco-friendly pitch at Krasnoyarsk aluminium smelter

In 2020, RUSAL announced plans to completely switch, by 2024, the reduction area of the KrAZ to a new type of raw material, an eco-friendly pitch, as part of its environmental modernisation programme. Half of potroom tests use Ecopitch in anode paste. Nine potrooms have been converted to a lower anode surface temperature. The smelter has begun trial tests of carbon-containing additives in anode paste.

RUSAL ETC has developed an eco-friendly pitch, whose environmental efficiency was confirmed by laboratory tests. Unlike the traditional raw material, eco-friendly pitch is less tarry in nature and its application in the aluminium production process is less harmful for the environment. The implementation of this and other technical innovations at the KrAZ will lead to a reduction in benzapyrene emissions' of at least 60% in the upcoming years.

The transition to a new eco-friendly pitch is a complicated process, and dependent on suppliers which have to modernise their own production methods. We also continue to invest in R&D and work with suppliers that can produce both this and other types of eco-friendly raw materials for us.

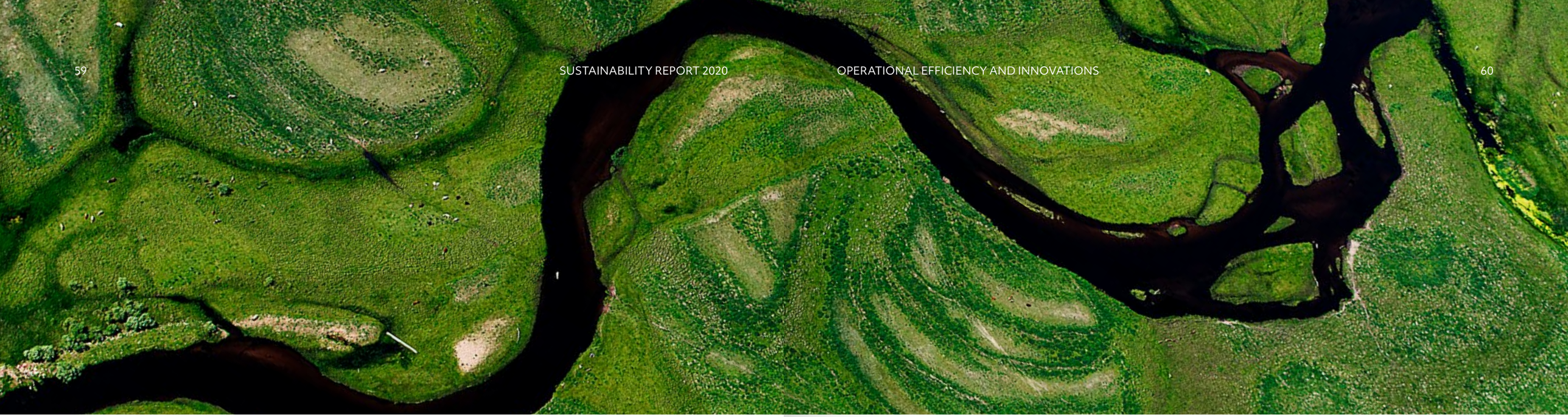
EcoSøderberg technology

An outstanding example of environmental progress is EcoSøderberg, which is listed in the best available technology reference book of the Russian Federation (BAT of Russia). Thanks to constructive improvements and gas purification, EcoSøderberg's indicators for the main marker substance, fluorides, are three and a half times better than the standard technology. The technology develops environmental indicators further due to better anode gas afterburning and lower gross emissions, as well as robotised monitoring of the central gas removal system and other parts of a pot to ensure air-tightness. In addition, gas cleaning systems recreated in-house by RUSAL, has made it possible to create an innovative cleaning system. It is close to being 100 per cent efficient, and is energy efficient and economical in terms of materials.

The Company's smelters continue to implement the EcoSøderberg technology:

- All Krasnoyarsk aluminium smelter pots with self-baking anodes have transitioned to this technology.
- Upgrades are under way in 11 potrooms at the Bratsk aluminium smelter (146 pots were upgraded in 2020; all 90 pots in potroom 8 completed upgrades).
- The Irkutsk and Novokuznetsk aluminium smelters transitioned to implementing modern technologies in their potrooms. In 2020 the IrkAZ upgraded 96 pots, while the NkAZ upgraded 32.

The introduction of EcoSøderberg technology allows harmful atmospheric emissions to be reduced to the levels required by environmental protection laws, and also reduce electricity consumption, significantly decrease the work-in-progress volumes and extend the service life of the pots.



2020 environment-friendly modernisation initiatives

Upgrades to Sayanogorsk and Khakas aluminium smelters

In 2020 RUSAL planned an upgrade of the Sayanogorsk (SAZ) and Khakas (KhAZ) aluminium smelters.

In the casthouse of KhAZ, a new system of cleaning crude aluminium in 10-tonne ladles was introduced. Its application will increase the purity of the metal and facilitate growth potential for product sales. To intensify the reliability of the power supply at the reduction plant, two transformers were replaced at one of the silicon rectifier substations.

As part of the modernisation of the Sayanogorsk Smelter, RUSAL will be carrying out a large-scale upgrade of anode baking furnaces at the electrode production of the smelter. Currently, Technical Directorate specialists are drafting the details for the engineering and design, while surveyors are performing relevant examinations. It is expected that the project will be conducted in several stages, and completion is planned for late 2023.

In 2020 the third stage of the red mud disposal area was completed. The new facility will minimis environmental impacts and ensure a more efficient operation of fume treatment centres.

Upgrade of coke-calcining kiln at Volgograd aluminium smelter

RUSAL invested around RUB 600 million as part of the eco-friendly upgrade of a coke-calcining kiln at the Volgograd aluminium smelter (VgAZ). Following this upgrade, the kiln's output capacity has increased to 12 tonnes per hour, versus 8-9 tonnes per hour at comparable kilns at other plants.

With a capacity of 94,608 tonnes per year, the upgrade to the kiln at VgAZ is aimed at enhancing the environmental aspects of production and intensifying the plant's coke calcining process. Thanks to new structural segments, where the raw materials go through a preparatory 'drying' process, the coke that enters the heating chamber of the kiln has a lower moisture content than previous generations of kilns. The lower consumption of natural gas also improves the kiln's performance and minimises the carbon footprint of the entire process. Another design concept that has been implemented involves the mixing of elements to ensure that all layers of raw coke are evenly calcined.

As a result of these improvements, the kiln's fuel consumption has been reduced while its output has been increased. In addition, thanks to a recovery unit that has also been built, steam produced during the calcining process can now be converted into heat (used for heating the plant in winter and heating tap water all-year-round) and electrical energy. Steam and the carbon-containing dust are captured and returned to the production process.

Gas scrubbers

The Company has continued work to install its own latest design of gas scrubbers at its smelters. In 2020, nine gas scrubbers were operating efficiently.

In 2020 RUSAL developed and introduced updated and innovative gas scrubbing to the smelting process. The process is based on fluorine adsorption by alumina using a unique adsorbing reactor, thereby making it possible to return collected fluorine to smelting. In terms of environmental KPIs, the scrubber is one-of-a-kind, as it is capable of purifying pot gases in two stages – dry and wet – which is the most efficient approach possible. The scrubber catches not only fluorides, but also sulphur (SO_2). In order not to dispose of captured sulphur, RUSAL has engineered a commodity production process and sends its customers products based on caught sulphur, to make them certified. In addition to having the best environmental KPIs, the new technology greatly saves on Capex (Capex on equipment dropped by over 30%) and Opex, which fell by 15%.

1.5 ETHICS AND INTEGRITY

GRI 103-1, GRI 103-2, GRI 103-3, ASI PS 1.3

Promoting ethical business conduct

RUSAL takes a responsible approach to business ethics and observing the rights of employees, counterparties, and local communities in the regions where the Company's operates. In this regard, employees of all divisions must adhere to the ethical principles of conduct set forth in the policies and regulations of the Company.

The Company recognises that as a member of society and a participant in the global supply chain, it has a responsibility to practice responsible business practices. This involves various features that shape the public's opinion of the Company and, therefore, impact its business reputation. These include rejecting and combatting corruption, openness in terms of information interaction, as well as respect for human rights – from employees and shareholders to all categories of external stakeholders.

RUSAL strives to comply with high ethical corporate standards and to promote ethical business practices wherever possible. The Company understands that its image is built not only on strict adherence to Russian and foreign legislation, but also with respect for human rights. RUSAL's reputation and accomplishments are primarily based on social responsibility and adherence to moral and ethical values and regulations.

In order to develop this practice, RUSAL, together with SKOLKOVO, held an Ethics Day for the first time in Russia in October 2019, which was attended by over 250 people. In December 2020, this event was re-organized with the involvement of corporate-level managers, as well as managers of the IrkAZ, KraMZ, SAZ plants. When organizing the event in 2020, Rusal paid the greatest attention to issues of Ethics in production

Targets and strategic priorities

- Demonstrating RUSAL's leadership in ESG and ethical agenda

Who’s in charge?

- The Directorate for Control, Internal Audit and Business Coordination
- The Security Directorate
- The HR Directorate
- The Compliance Department
- The Communication and Social Projects Department

Which guidelines do we follow?

- The Corporate Code of Ethics
- The Company’s Anti-Corruption Compliance Policy
- The Regulation on Preventing and Resolving Conflicts of Interest
- The Business Partner Code
- The Human Rights Policy

SKOLKOVO regularly helps RUSAL to structure ESG and ethical practices, and to position the Company externally as a market leader that embraces and demonstrates responsible behaviour.

> *Our mission is to become the most productive entity operating within the aluminium industry, one that we and our children can be proud of.*

RUSAL, in accordance with the Code of Conduct, elect an Ethics Commissioner to manage employee complaints about workplace safety and labour law compliance and to resolve internal communication issues. The Ethics Commissioners' key responsibility is to interact directly with workers in challenging circumstances in order to reach an equitable solution. The Company is now revising its approach to dealing with ethical problems in the workplace. In 2020 RUSAL studied current trends in the field of ethics and the actions of corporate ethics commissioners, with a view to making improvements in this area.

Compliance with ethical standards is regulated by responsible departments and directorates, also the Corporate Documents contain the Company's position, standards of conduct and obligations related both to relations within the workforce and to interaction with external stakeholders. The main mechanism for monitoring compliance with corporate ethics standards is the Compliance Department's activity, created to consider issues related to compliance with business ethics and violation of the provisions of the Code of Corporate Ethics.

The mechanism for assessing the effectiveness of the management approach to ethics and integrity is represented by monitoring the implementation of KPIs, internal regulatory documents in these areas, identifying violations, including through the stakeholder engagement system (SignAL hotline.)

Anti-corruption

HKEX Para 10, HKEX Para 13, HKEX Aspect B7, GRI 102-16, GRI 103-1, GRI 103-2, GRI 103-3, ASI PS 1.2, SASB EM-MM-510a.1

RUSAL is committed to conducting business with integrity and adopts a policy of zero tolerance towards corruption and fraud in any form, including bribery, extortion, and money laundering.

The Company complies with respective anti-corruption laws in various jurisdictions of its operation, including the US Foreign Corrupt Practices Act (FCPA) and UK Bribery Act.

The Compliance Department, the Directorate for Control, Internal Audit and Business Coordination, and the Directorate for Resource Protection are responsible for ensuring compliance with anti-corruption requirements.

RUSAL has adopted an Anti-Corruption Policy that sets forth the basic rules for communicating with government officials, local government officials, and international government bodies, as well as government agencies and other third parties such as private and public commercial organisations.

In order to ensure compliance with anti-corruption legislation and regulatory legal acts, anti-corruption provisions are contained within all contracts concluded by the Company where corruption risk is possible: with counterparties with state participation, with counterparties in whose management bodies there are politically exposed persons, high-value charity agreements, and in cases where it is difficult to compare the cost of the contract with the market (e.g. services, marketing). If there is a suspicion of a violation of anti-corruption standards, employees and third parties can contact the SignAL hotline (for more information, see the section “Service trust "SignAL" on page 65) HKEX KPI B7.2

The minimum standards of integrity for the Company’s employees are set forth in the following internal RUSAL documents:

1. The Anti-Corruption Compliance Policy
2. The Corporate Code of Ethics
3. The Business Partner Code
4. The Code of Conducting Securities Transactions by Relevant Officials of the Company
5. The Regulation on Preventing and Resolving Conflicts of Interest
6. The Violation Information Policy

Corruption risks are incorporated into the Company’s Risk Map, and corruption risk assessments are conducted at all the Company’s business units. In 2020 no significant individual corruption risks were detected[21]. GRI 205-1

During the reporting year, no legal cases relating to corrupt practices were brought against the Company or its employees. HKEX KPI B7.1, GRI 205-3

[21]The Company considers risks with an estimate of more than USD10 million significant

Anti-corruption trainings

GRI 205-2, HKEX KPI B7.3

Compliance trainings cover a range of issues, including:

- applicable legislation and internal regulations (policies, regulations) in the field of anti-corruption
- types and signs of corruption
- liability for committing unlawful acts of corruption
- corruption risks in the Company's business processes
- analysis of examples of corruption
- measures to minimise corruption risks in the Company
- ways to report corruption-related offenses.

The training is generally carried out in person, with video communication used in the regions, as well as distance learning in some cases.

In 2020, 30,953 Company's employees underwent anti-corruption trainings organised by the Compliance Department, in person online or a distance learning format.

Compliance

ASI PS 1.1

RUSAL pays great attention to compliance with applicable laws, regulations, standards, as well as other requirements, and also cares out measures on an ongoing basis to improve the internal control system for Compliance Risks. Internal regulations are updated as needed, and responsible employees undergo regular training.

The main objectives of the Company’s compliance function consist of developing and implementing policies and procedures to ensure compliance with applicable requirements, minimising Compliance-related risks, and organising compliance-themed trainings. Another important goal is to promote and foster an appropriate compliance culture within the Company, which ensures that employees engage in ethical behaviour and are assisted in fulfilling their obligations to abide by respective requirements.

The Compliance Committee under the Board of Directors was established to oversee the Company's compliance with the requirements of the Office of Foreign Assets Control (OFAC) of the US Treasury Department; it elaborates guidelines, agrees on policies and procedures related to compliance with legal and regulatory requirements, reviews reports on activities undertaken, and presents conclusions and proposals on Compliance-related issues to the Board of Directors.

The Compliance Committee under the Executive Committee is a permanent collegial body at Management Company Level, which was set up to coordinate work related to compliance risks, improve controls over the Group's compliance risks, and elaborate the Company's position on significant compliance issues. The compliance function at executive level falls within the competence of the Compliance Department, which monitors transactions that take place in the Company. In particular, it implements supplier know your customer procedures (KYC), and monitors compliance with respective sanctions and anti-corruption laws. The Company uses a special system to check that transactions comply with applicable laws and regulations.

In order to prevent conflicts of interest, the Company uses a multilevel automated control system for related transactions. RUSAL is committed to protecting human rights and to adhering to high standards of corporate ethics, and in this regard a pilot project on declaring conflicts of interest was launched in 2019. In 2020 the Company revised and enhanced this project, including through boosting employee coverage and improving sampling and updating the declaration form, in response to feedback received during the pilot implementation in the previous year. In addition, in order to raise awareness of the importance of declaring all cases of conflict of interest, the Company publishes a magazine in which materials related to the topic of conflicts of interest are published, and employees sign an appropriate declaration. In 2020, 3,500 Company employees underwent a training entitled Declaring Conflicts of Interest by Company employees, and data on declarations of more than 3,300 employees were obtained through the portal for declaring conflicts of interest.

The SignAL hotline

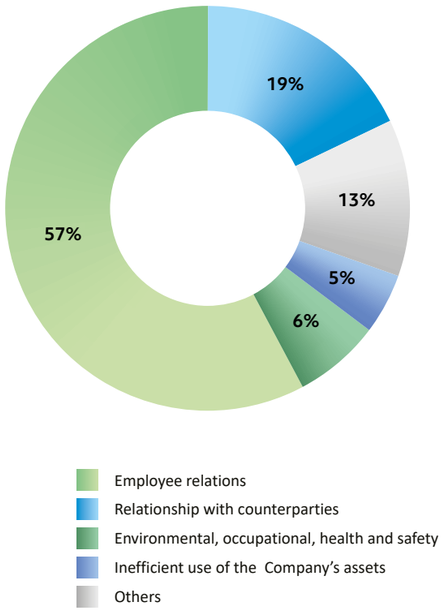
HKEX KPI B7.2, GRI 102-17

RUSAL recognises the importance of continuously monitoring potential violations of the Company's principles in the areas of ethics, anti-corruption, and respect for human rights.

In order to address these issues, the Company has a communication mechanism in place, called the SignAL hotline. The hotline is available 24/7 on the RUSAL website for all the Company's internal and external stakeholders, in the Russian, English and Chinese languages. Phone call greetings, printed materials and SignAL policy are available in Russian, English, Swedish and French. The SignAL hotline is anonymous and confidential. RUSAL promotes an anti-blame policy in relation to the hotline. Messages relating to alleged violations can be submitted via email (signal@rusal.com), mail (by sending a letter to the address provided on the hotline webpage), a free-of-charge hotline number (+7 800 234 5640, toll-free within Russia, or +7 495 221 3372, for calls from other countries) or through popular messaging services (by sending a message to the number +7 915 224 5640). All reported cases are thoroughly investigated, and appropriate measures taken where necessary.

All reports received through the SignAL hotline are sent to the Department for Control and Auditing and are entered into the register. Then, a team is put together to conduct a respective investigation. If necessary, the investigation is carried out jointly by several departments. The results of appeals are recorded and, based on these, necessary remedial measures are taken.

Categories of all hotline reports



Over 426 reports were received in 2020, approximately 10% more than in 2019, and this was thanks to greater awareness of the SignAL hotline, which yielded tremendous results. Accordingly, the financial effect from the work of the service almost doubled compared to 2019. At the beginning of 2020 the method for registering messages via the SignAL hotline went electronic, using the SharePoint platform. Through automation the hotline has become faster, more efficient, and easier in terms of accounting, reporting, accessibility, and message processing transparency.

In particular, in the reporting year the SignAL Hotline received 11 reports about unethical behaviour on the part of colleagues and management. Based on the results of an audit, three cases were confirmed. Disciplinary measures were taken, and talks conducted to prevent a repeat of such behaviour. In cases where specific information was required to complete the audit, or it was important to ensure independence and avoid potential conflicts of interest, employees from other departments were involved.

Based on the results of the analysis of reports, systemic and complex problems were identified, and addressing these made it possible to improve the working conditions of employees, resolve conflicts of interest, and prevent misappropriations of goods and materials.

Position on child and forced labour

GRI 408-1, GRI 409-1, HKEX Aspect B4

Child and forced labour are prohibited by law in most countries where the Company operates. RUSAL strictly complies with this principle at all its facilities and production facilities, including those located in countries where respective prohibition is not prescribed by law. This commitment is enshrined in the Corporate Code of Ethics, the Human Rights Policy, and the Business Partner Code. The Directorate for Control, Internal Audit and Business Coordination is responsible for overseeing this issue. Employees of the directorate regularly hold related inspections and internal audits. Since the establishment of the Company, there have been no infringements of laws and regulations relating to child and forced labour.

HKEX KPI B4.1, HKEX KPI B4.2

Plans for 2021 and the midterm

In the ensuing year the Company plans to continue to improve its practices in the field of business ethics. including through:

- increasing information awareness surrounding the SignAL hotline;
- creating the Rusal 2.0 Code of Ethics and elaborating a communications strategy;
- approving new ethical values at top manager level;
- holding the Skolkovo Ethics Day 2021 and three satellite events;
- launching the educational platform Ethical Leadership.

1.6 SUPPLY CHAIN

GRI 103-1, GRI 103-2, GRI 103-3, HKEX Aspect B6

As one of the world's largest producers of aluminium, RUSAL works with a large number of suppliers, including suppliers of electricity and fuel products, raw materials, equipment and technology, as well as suppliers of services, including contractors directly operating at the Company's production facilities.

A sustainable and transparent supply chain is an important element of RUSAL's long-term success. The implementation of ESG principles helps to strengthen the existing supply chain and builds long-term partnerships with suppliers and contractors.

The mechanism for assessing the effectiveness of the management approach to supply chain is represented by analyzing the content of the claim work, collecting feedback from stakeholders and achieving KPIs on the relevant goals for suppliers and customers.

Supply chain structure

GRI 102-9

The main suppliers of the Company are FSC JSC and EuroSibEnergo-Hydrogeneration LLC (electricity and power), Russian Railways OJSC (rail transportation), and ENRC Marketing AG (alumina). Most of these publish regular sustainability reports or have good key sustainability governance practices.

In turn, RUSAL acts as supplier to companies working in such industries as engineering, automobile production, metallurgy, chemical, transport, construction, electrical, food, and packaging. The Company also interacts with organisations that provide intermediary services (distributors and wholesalers, commodity exchanges, and electronic trading platforms).

In 2020 there were no significant changes in the location of operations, suppliers, the organisation and structure of the supply chain
GRI 102-10

Targets and strategic priorities

For suppliers

- Increase of transparency of procurement by creation of a single portal for interaction with suppliers and automation of supplier rating assessment and supplier claims process.
- Maximum transfer of supplier selections to RUSAL's own electronic trading platform and integration with internal systems.
- Implementation of long-term procurement strategies for key raw materials categories.
- Implementation of joint projects with suppliers to organize the production of calcined coke, the production of new / alternative raw materials (compound pitch).
- Introduction of alternative methods of delivery of raw materials (transportation of sand in tank containers).
- Competence development for new markets (carbon quotas)
- Reduce costs, meet the parameters of the business plan, achieve quality goals

For consumers

- Achieving / maintaining the status of master-supplier with the consumer
- An increase in the volume of supplies for a given consumer
- Expansion of the line / range of supplied products
- Expanding the geography of supplies to other enterprises of the consumer
- Signing a partnership agreement

Who is in charge?

- The Business Support Directorate
- The Sales Directorate
- Procurement departments of Alumina and Downstream divisions
- Quality Management Directorate
- Procurement Quality Department

For consumers

Which guidelines do we follow?

- The Corporate Code of Ethics
- The Business Partner Code
- The Procurement Regulation
- The Regulation on claim work
- The Regulation for categorical procurement management
- The Regulation on qualification of manufacturers of raw materials and supplies for quality
- The Regulation for conducting audits of manufacturing plants of raw materials and supplies
- The Methodology for the rating assessment of suppliers of raw materials and supplies
- The Guideline for the development of QMS suppliers
- The Declaration of DRC Conflict Minerals Free manufacturer
- Policy regarding the processing of personal data and information about the implemented requirements for the protection of personal data
- The concept of information security of UC RUSAL
- Information security policy
- Regulation on the trade secret regime
- Instructions on the procedure for handling documents containing confidential information

Supplier management system

GRI 103-1, GRI 102-9, GRI 103-2, HKEX Aspect B5

RUSAL's supply chain approach is based on principles that promote the responsible and sustainable development of the business, including:

- maximising transparency
- boosting competition
- attracting alternatives, broadening the supplier base and supply quality
- optimising inventory.

RUSAL's supply chain activities are carried out in compliance with the Business Partner Code, the Declaration of DRC Conflict Minerals Free manufacturer and a set of regulations. The Business Partner Code reflects the principles and requirements to all contractors and suppliers relating to ethics, quality, ecology, labour protection, human rights and other ESG issues.

EM-MM-210a.1

To help our clients meet the Dodd-Frank act obligations, we affirm that, in accordance with the Declaration of of DRC Conflict Minerals Free manufacturer, none of the Conflict Minerals from the Democratic Republic of the Congo or neighboring countries (Angola, Republic of Congo, Burgundy, Central African Republic, Rwanda, South Sudan, Tanzania, Uganda or Zambia) is not used in the production and products of RUSAL. Also, RUSAL does not in any way contribute to armed conflicts or violations of human rights in the Conflict Areas and in the High-Risk Areas. For these purposes, the Company has developed and operates internal regulatory documents. ASI PS 9.8

The Company adopts a risk-based approach when working with suppliers, including tools for managing social and environmental risks. Suppliers are made familiar with the Business Partner Code through the official RUSAL corporate website. Employees entering into transactions notify suppliers about the Business Partner Code and recommend in writing that they join the Business Partner Code. In 2020, the number of existing suppliers of raw materials and supplies to produce core products purchased by the Business Support Directorate and joined the Business Partner Code, amounted to 62%.

In the reporting year, the Procurement Regulation and new approaches to the selection of suppliers were revised, including the obligation to use an electronic trading platform, as well as the practice of conducting remote audits to assess and develop suppliers, the process of qualifying manufacturers of raw materials and materials in terms of quality was revised, and a categorical procurement management procedure was introduced.

GRI 408-1, GRI 409-1

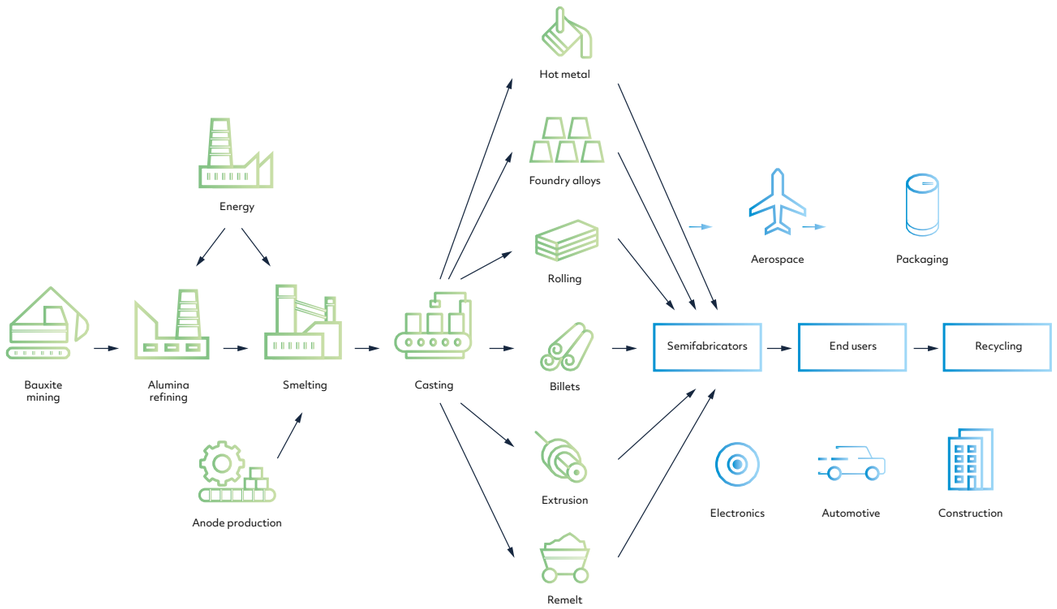
Through the development and implementation of corporate instruments and controls, RUSAL promotes respect for human rights, both in its own activities and in the activities of its partners. The Company will not accept or tolerate any violation of this principle by any of its business partners, including suppliers and contractors. RUSAL monitors entities in its supply chain comply with legal requirements related to child and forced labour through carrying out audits of suppliers. Since the introduction of the Business Partner Code in 2015, no infringements have been found within the supply chain of laws or regulations relating to child and forced labour.

Suppliers' compliance with the principles of ethical business conduct is a prerequisite of working with RUSAL. The process of monitoring compliance with the principles of sustainable development by current suppliers is carried out through the Code of Corporate Ethics and internal audits.

Procurement of raw materials and supplies to produce core products

HKEX KPI B5

Supply chain of primary aluminium



The nature of RUSAL's production implies that the quality of 80% of final products depends on suppliers. Hence the quality and timing of supplies of raw materials and supplies to produce core products are critical factors. All supplied products must comply with respective contracts and regulatory documents, and the QMS of suppliers must comply with RUSAL's requirements.

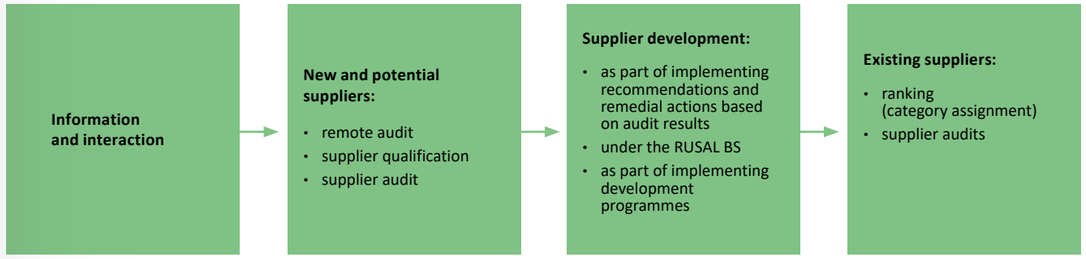
In 2020, RUSAL worked with over 15,000 companies — suppliers of goods and services[22] producers of raw materials and supplies. 49% of purchases were made from local suppliers[23] and equaled USD 4,303 million.

In the procurement of raw materials and supplies satisfying the requirements of the Company, suppliers from Russia and other CIS countries are preferred, and working relationships are built based on long-term contracts. In the event of there being insufficient supplies, the deficit is sourced from abroad.

Supplier procedures cover the full cycle of working with suppliers, from informing new and potential organisations to assessing collaboration results with long-term RUSAL suppliers.

HKEX KPI B5.1, GRI 204-1

[22]Data from divisions is presented on suppliers of all goods and services, except for credit and financial services.
[23]For enterprises of the Russian Federation, the local market is suppliers and contractors registered in the subject of the Federation of the presence of the enterprise. For foreign enterprises, the local market is suppliers and contractors registered in the country of presence.



For more information on the implementation of Business System projects in the area of supplier development, see the section Operational efficiency and innovations.

Any Contract / Specification to be concluded include information about the SignAL hotline. In 2020, the number of requests increased significantly due to improved feedback.

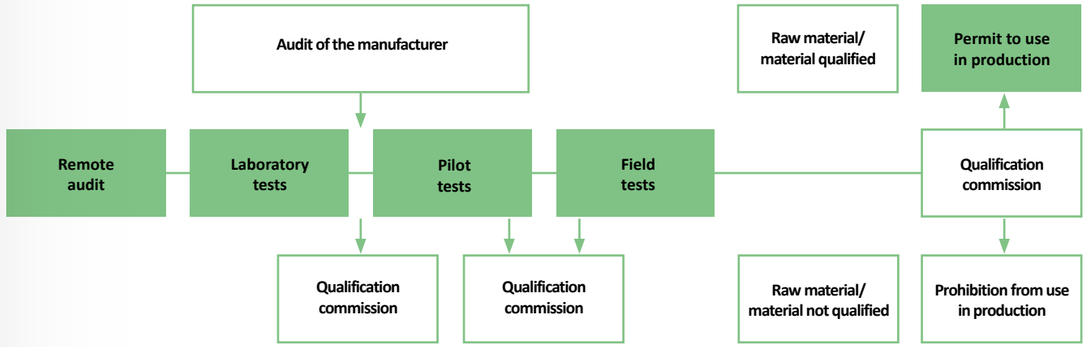
Supplier audit and qualification

GRI 308-1, HKEX KPI B5.2, KPI B5.3, KPI B5.4

In order to manage supply chain quality and technology risks, the Company qualifies its suppliers in accordance with IATF 16949, using the APQP approach (PPAP).

The qualification stages for suppliers of raw materials and supplies to produce core products are as follows:

Qualification stages



The Company conducts audits of potential, new, and existing suppliers. Prior to the start of qualification tests and audits, a supplier questionnaire is sent to suppliers. This questionnaire contains an Implementing the Basic Principles of Sustainable Development section, which includes the status of accession to the Business Partner Code, as well as questions about the implementation of sustainable development principles by the supplier, based on the Business Partner Code.

The supplier's questionnaire also contains questions covering environmental protection, labour protection, health protection, and industrial safety, and determines the existence of certified environmental management systems (ISO 14001) and industrial safety and health systems (OHSAS18001 / ISO45001).

Audit results have a beneficial effect on supplier development: they help address suppliers' identified weaknesses and optimise their processes, which assists in certifying their management systems, and they also offer them new opportunities.

In 2020, a process to remote audit suppliers was implemented which allowed to conduct 64 supplier audits, including 24 suppliers of raw materials and suplies to produce basic products.

Based on the results of the previous year, a rating assessment of existing suppliers is carried out annually, which includes a comprehensive assessment of suppliers in five areas of activity and 15 criteria. In 2020, 132 suppliers were assessed.

A special area of interaction with suppliers of services and works is Health, Safety, and Environment (HSE), whose requirements are also emphasised during assessments. The existence of risks in this area at the production facilities of suppliers is considered by the Company to be a critical factor that can determine whether a working relationship is successful. Therefore, compliance with health and industrial safety standards is enshrined in service contracts. These are similar to requirements for production facilities and for RUSAL employees. In the event of a contracting organisation violating the terms of a contract they are subject to penalties, including termination of the relationship. The main criteria used to assess contractors are: qualification level, the provision of personal protective equipment (PPE), and competences vis-à-vis the safe conduct of work. The Company conducts investigations into all incidents. The injury rate among contractors' employees is based on the requirements of the corporate regulation on the single reporting on health, industrial, and fire safety.

If a supplier does not fully meet the requirements of RUSAL, the Company can provide it with related support. To achieve this, projects are being implemented to improve the quality of services and distribute the logistics load. These results reflect the Group's commitment to building long-term and reliable relationships with suppliers.

At the contracting stage, special attention is paid to whether suppliers observe human rights and anti-corruption practices. To this end, the Compliance Department conducts an in-depth analysis of the documentation, transactions, and publicly available materials of potential RUSAL partners. Also, special attention is paid to Health, Safety, and Environment (HSE) issues.

The health and safety services of RUSAL provide assistance to suppliers in order to improve compliance with the Company's requirements, including:

- Training in health, industrial, and fire safety and first aid
- Preliminary and periodic medical examinations
- Monitoring working conditions
- Special audits of working conditions
- Repair and construction work (as part of monitoring HSE compliance)
- Transport
- Elaborating internal HSE regulatory documents
- Examining industrial safety
- Providing PPE and working clothes, cleaning and repairing such items.

Key results in 2020

Goal	Status	Results
Introducing an automated counterparty assessment system	In progress	A counterparty assessment system for Russian counterparties has been implemented
The purchase of alternative pitches when new technologies are introduced	Yes	A hybrid pitch produced by RUTGERS SEVERTAR was purchased for KrAZ and BrAZ
Launching a procurement system optimisation project	In progress	In 2020, 46 root problems were worked out and initiatives to address them were developed and implemented. In terms of the implementation of the categorical approach, possible ways to reduce costs in the amount of USD3.4 million were found. In 2020, a reduction in costs of USD0.6 million was achieved.
Replacing tanks with tankers and tank containers during the transportation of raw materials	Yes	Since January 2020, the delivery of tank trucks on the EVRAZ ZSMK – NkAZ route has been organized.
Introducing an APQP approval process with suppliers in order to enhance the qualification n process	In progress	The process was implemented for Aluminium division.

Plans for 2021 and the medium term

The Company has set the following goals related to procurement processes:

- Automation of supplier rating assessment and supplier claims process.
- Extending of the APQP process in order to enhance the qualification process to other divisions of the Company.
- Increase in supply of eco-friendly pitches.
- Execution of pilot tests of tank containers for the transportation of pitches.
- Implementation of Corporate Principles for Responsible Supply Chain Management.
- Changes of the business planning and procurement process by automating the processes and increasing their transparency.

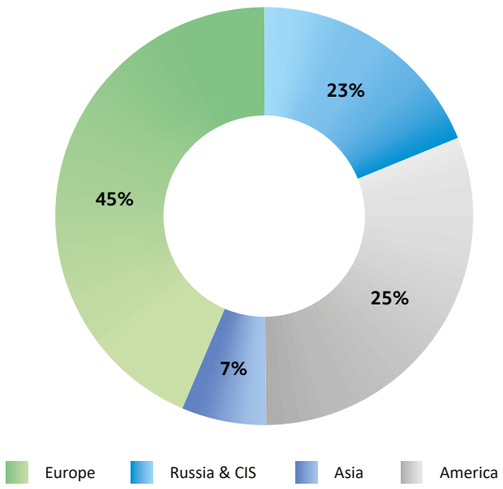
Interaction with consumers

HKEX para 13

The main consumers of RUSAL are companies from Russia, CIS, Europe, America, and Asia. In 2020, thanks to having a diversified client base and prompt managerial actions, RUSAL successfully adjusted the regional sales geography in line with the new market environment brought about by COVID-19. European destination continues to dominate the mix, however their share declined to 45% (vs 2019), while Asia's share grew to 25%. The shift reflects the less severe lockdown measures in Asia and opportunities in China underpinned by the country's fast economic recovery.

RUSAL 2020 sales geography

GRI 102-6



What drives demand for low-carbon aluminium

As the world continues to move towards a greener future, there could be a seismic shift in the structure of the aluminium industry, given that it accounts for 2% of global greenhouse gas emissions.

RUSAL and other producers are under pressure from regulators, investors, and industry associations. This leads to companies' investing in decarbonisation measures, including carbon-neutral lifecycles and environmental/climate disclosures.

End-users of aluminium products are stimulated by internal corporate sustainability strategies, leading to growth in the renewable electricity share and reductions in GHG emissions across the value chain (beverage sector), and net-zero goals by 2050 (automotive sector). There is pressure from original equipment manufacturers (OEMs) to achieve sustainable business models, and some have already committed to reach carbon neutrality across the value chain. Low-carbon primary and secondary aluminium are both part of the solution for a low-carbon economy: only 22% of post-consumer scrap is available (global average, for the entire aluminium industry).

RUSAL supplies its metal globally and promotes sustainability equally in all regions. However, it is set to expand into other parts of the world, as pressure from regulators, investors, and consumers grows. RUSAL has observed an increase in customer interest in having a full carbon footprint; we assess these risks, and they have a high level of criticality in terms of moving towards reducing greenhouse emissions. Now RUSAL's carbon footprint impacts to a significant extent our customers' decisions to purchase primary aluminium.

RUSAL works to establish cross-industry and public sector stakeholder networks to drive institutional and industry-wide awareness and unite main players, regulators, and governments in a strategy for a low-carbon aluminium future, with a view to changing mind-sets across all levels of the value chain. Raising consumer awareness in this area, we drive demand for low-carbon aluminium across the value chain. RUSAL actively collaborates with end-users' brands. In 2020 we held four comprehensive regional online customer webinars on sustainability issues. More than 50 spectators attended each event. Also, webinars were organised for buyers and end users in various market segments (including automotive, cable manufacturing and construction).

In 2020 RUSAL bolstered its existing partnerships to promote low-carbon metal, and new partnership agreements were reached to promote ALLOW, including agreements with the largest Japanese trading house, a Chinese large-scale modern aluminium processing enterprise, and an Asia-based Apple vendor of aluminium alloys.

Recycling

RUSAL assessed the market and started the development of recycling capacities at several of its sites. This recycling of post-consumer scrap comes on top of the already-existing recycling of fabricated scrap that has always been part of the process at all RUSAL's sites. RUSAL plans to further develop its recycling content and value proposition to the market.

A focus on the customer

GRI 103-2, HKEX p. 12, HKEX aspect B6

Being customer-focused drives our success and motivates us to create new products and services and introduce continuous improvements. The Company implements various initiatives to maintain effective customer relations and to improve business processes.

In 2020 the process of managing RUSAL's ratings as a supplier was regulated. An up-to-date ratings register was created, which collects all data on interactions with key consumers, and also allows a person to track corrective action plans, with a view to increasing and maintaining corresponding ratings and master statuses. A new qualitative KPI for the process was created, which replaced the quantitative indicator. This allows objective confirmation from consumers about the current level of the quality of products and services to be regularly received. A new high-quality KPI has been defined, which allows company to regularly receive the objective feedback from consumers about the current level of quality of products and services. In total, 82 master statuses were achieved and confirmed in 2020.

In 2020 the qualifications management process for key consumers was systematised in line with the APQP (Advanced Product Quality Planning) approach. Based on the results of open APQP projects, approvals were obtained from three key consumers on successfully conducted audits of production sites.

Product labelling

GRI 417-1, GRI 417-2, HKEX Aspect B6

Finished products manufactured at the Company's enterprises are automatically labelled in accordance with government requirements. A label contains information about the trademark or name of the manufacturer, the grade of aluminium or alloy, and the heat number.

In 2020 the Company complied with all applicable laws and regulations that have a significant impact on RUSAL in relation to product labelling, and no significant claims were received in connection with product labelling.

Customer Satisfaction Analysis

According to the results of the 2020 consumer satisfaction survey, a total of 284 customers took part, the average satisfaction rate was 4.23 out of 5, and the customer loyalty index was 53 out of 100.

Key customer expectations were identified and opportunities for improvement versus global expectations for key product and process parameters were identified, and plans were developed and agreed to improve customer satisfaction.

In addition, RUSAL has introduced a comprehensive improvement planning tool based on the results of customer satisfaction surveys and supplier ratings, as well as the results of implementation of focus improvement programs.

Consumer data protection

HKEX KPI B6.5

RUSAL pays great attention to the protection of counterparty data throughout the supply chain. The list of the main documents regulating the protection of confidential information includes:

1. The concept of information security of UC RUSAL
2. Information security policy
3. Policy regarding the processing of personal data and information about the implemented requirements for the protection of personal data
4. Regulation on the trade secret regime
5. Instructions on the procedure for handling documents containing confidential information
6. Regulations for the interaction of structural units to ensure information protection
7. An employment contract (including an Obligation not to disclose information constituting a trade secret and Instructions for Ensuring the Protection of Confidential Information)

In 2020, the Company approved the Policy regarding the processing of personal data and information about the implemented requirements for the protection of personal data, which ensures the protection of the rights and freedoms of a person and a citizen when processing his data, including the protection of the rights to privacy, personal and family secrets, clear and strict compliance with the requirements of the legislation of the Russian Federation and international treaties of the Russian Federation in the field of personal data. The Personnel Department is responsible for monitoring the implementation of the general principles, the procedure for processing personal data, and measures to ensure their security.

The management of information constituting RUSAL's Trade Secret, including the protection of its confidentiality and ensuring the established trade secret regime is regulated by the Regulation on the Trade Secret regime and is controlled by the Directorate for the Protection of Resources.

Key results in 2020

Customer engagement activities planned for 2020 have been fully implemented. For more information, see the chapters Climate Change and Energy Efficiency, Partnerships and Membership in Associations and International Initiatives.

Plans for 2021 and the midterm

The key areas of focus for 2021 and the medium term comprise:

- Increase customer satisfaction through developing an inter-functional direct contact at the Plant-Key Consumers level
- Integrate the PDCA (plan-do-check-adjust) cycle into the customer satisfaction management process, implementing the following processes:
    1. Rating management processes for key consumers, taking into account the specifics of the Business Units of the Downstream Division.
    2. The management of pilot batches, based on the principles of PPAP (Production Part Approval Process), that is, determining and approving the criteria for transferring products from the status of "experimental" to "serial" on the basis of confirming the stability of process indicators and product characteristics based on the criteria contained within the Passport of Quality of the Production Process document.
- Further increase in sales of low-carbon aluminium, as well as further reduce in climate and environmental impacts.
- Continued regular disclosure of information under the UN Global Compact and CDP.
- Further expansion of LCA's share in RUSAL's offer to consumers.
- Continued active involvement in industry-wide decarbonisation initiatives.

0.18[24]

LTIFR

↓11.5%

decline in occupational diseases

$40.28 million

was allocated for COVID-19 medical centres construction and equipment

02
HEALTH AND SAFETY

[24]Including the main contractor LLC ECS.

CONTRIBUTION TO UN SDGS

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

2.1 MANAGEMENT APPROACH

HKEX Para 13, HKEX aspect B2, GRI 103-1, GRI 103-2, ASI PS 2.1, ASI PS 2.3, ASI PS 2.6, ASI PS 3.1, ASI PS 11.1, ASI PS 11.2, ASI PS 11.3, ASI PS 11.4

RUSAL strives to be a safe workplace, where the main goal is to prevent any kind of harm to people. We consider health and safety issues to be a key element of corporate strategy, and our ambition is to be an industry leader in providing safe working conditions. The Company is fully committed to meeting all domestic legislative requirements as well as internal corporate standards, rules, and procedures on health and safety protection.

RUSAL makes significant efforts to improve the safety culture and to involve everyone in health and safety management, implementing a risk-orientated approach in all operational activities. The Company seeks to enhance a safety culture in which all employees and contractors understand that they take personal responsibility for their health and safety. To strengthen the leadership and improve the corporate safety culture, we regularly train our employees to raise their risk awareness and promote such behaviour, which includes encouraging them to speak up and report hazards and incidents. Also, to support human efforts and to prevent harm coming to employees RUSAL invests in modern technologies.

The Company believes that the involvement of senior executives and managers in all health and safety (HS) processes and safety management is indispensable in safeguarding health and safety. With a view to preventing concealing HS violations, numerous key performance indicators (KPIs) for the heads of divisions and facilities have been adopted. These include injury rates - the Lost Time Injury Frequency Rate (LTIFR) - at Company, division and enterprise levels. KPI performance is assessed based on the results of the year, with monthly monitoring.

The Health, Safety, and Environmental (HSE) Committee was established by the Board of Directors in order to ensure that the Company undertakes and conducts, in compliance with Company policies, its operations in a socially and environmentally responsible manner. The main duties of the HSE Committee include reviewing health, safety, and environmental audits carried out based on both legal and Company requirements and an annual report on the health, safety, and environmental performance of

Targets and strategic priorities

- Zero injuries, zero fatalities and zero fires
- Ensure compliance of equipment and production processes with legal and regulatory requirements for labor protection, industrial and fire safety
- Ensure compliance with the health and safety requirements of personnel at workplaces, as well as constantly improve working conditions in order to increase the level of labor safety
- Carry out prevention of occupational diseases

Who's in charge?

- The Health, Safety, and Environment Committee of the Board of Directors
- The Health, Safety, and Environmental Protection Department

Which guidelines do we follow?

- The Occupational Safety Policy
- The Cardinal Rules of Work Safety
- The Industrial and Fire Safety Policy Statement
- Occupational, Industrial, and Fire Safety Management System Guidelines
- The Regulations for Accounting, Investigating, and Analysing Production Safety Incidents
- The Regulations on Managing Contractors in the field of HSE
- Other HSE regulations and guidelines

the Company, as well as preparing recommendations to the Board for the formulation and setting of objectives to be achieved in the field of health, safety, and environmental management. In 2020 the HSE Committee held four meeting in which issues related to the health and safety report and the impact of the COVID-19 pandemic on the Company's operations were considered.

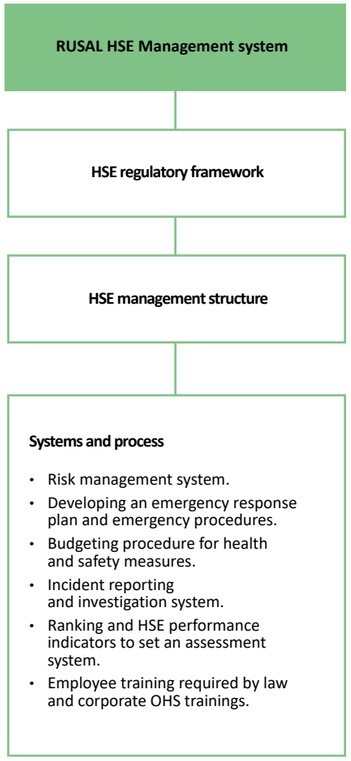
The Company has also embedded into the Occupational Safety Policy corporate safety principles related to employee health and protection and all operational activity is guided by these:

- Human health and safety are more important than work achievements and economic results.
- Full integration of the occupational safety management system throughout the whole business.
- Every accident can be prevented.
- Observance of laws is indispensable and a prerequisite for all operations.
- Systematic training and safety briefings given to all employees.
- Supporting and rewarding safe conduct for employees.
- Mutually beneficial relations with the suppliers and contractors.
- Monitoring and quantifying levels of occupational safety.

Management system

ASI PS 11.2, GRI 103-2, GRI 103-3

HSE Management system element



The Company has a robust vertical system for the management of health, industrial, and fire safety (HS management system), that covers all business divisions and their facilities. Our health and safety management system is designed to prevent injuries and illness befalling employees and contractors, wherever they are. This involves a Company-wide structured reporting process as well as a range of tools that provide the basis for analysing safety risks, injuries, and fatalities. The basis of the system is an occupational risk management and risk-orientated approach, which allows the Company to coordinate HS activities and prevent cases that could lead to injury or death. The RUSAL HS management system is supported by considerable efforts from health and safety managers, contractor safety supervisors, and local HS functions, who work to ensure that it operates appropriately, and the best practices are constantly implemented. GRI 403-1, HKEX KPI B2.3

The RUSAL HS management system is based on binding standards and rules that apply to all divisions, regardless of the region of operation. The standards are regularly reviewed and updated to ensure compliance with international best practices and domestic legislation requirements. In 2020, as a result of organisational transformations in the managing company, the framework of health and safety documents was revised. The HS management system was also enhanced with new corporate standards, and some of its elements were amended. Thus, the Regulation on Managing Contractors in the field of HS was updated with a system of penalties that will be imposed on contractors in case of safety rules violations. In 2021 RUSAL will update other procedures within the HS management system, following the introduction of new federal regulations in industrial safety on 1 January.

During the reporting period, RUSAL also elaborated and has already introduced a new Fire Safety Regulation. Initially, this key important document was elaborated as a part of the HS management system but in 2021 became separate full-fledged Regulation.

In 2020, in order to bolster employee engagement in HS issues and boost the safety culture level, RUSAL began to elaborate a regulation on positive motivation, which will come into force in 2021.
In daily operations RUSAL requires employees to follow a simple and clear set of safety rules: the Cardinal Rules of Work Safety, which are based on the Golden Rules and international Vision Zero initiative, which RUSAL joined in 2019. These rules are aimed at promoting safe behaviour among workers and visually present information about potential risks. Currently, eight key rules are adopted at each operational facility. In the future, RUSAL plans to exclude some rules from the list, and increase responsibility for complying with the remaining ones. Any failure to comply with this provision will result in administrative impact and possible dismissal.

RUSAL and Vision Zero initiative

In April 2019, following a declared commitment to create an injury-free working environment, RUSAL joint the international Vision Zero initiative launched by the International Social Security Association (ISSA). The purpose is to change the way statistics on occupational deaths and injuries are collated, and avoid a formal approach to health protection. This covers environmental, industrial, fire, and health safety aspects.

Cardinal Rules of Work Safety

Do not stay in places where harmful and hazardous production factors are present without prescribed personal protection equipment.

Do not operate faulty or uninspected lifting structures.

Do not enter a hazard zone marked with banners, tapes, signs, or markings.

Do not work at heights without fall management equipment, or with faulty and/or non-stationary scaffolding.

Do not perform repair work on equipment that has not been switched off, halted, or fenced off.

Do not attend the workplace in a state of intoxication from alcohol, narcotics, or any toxic substance.

Do not carry out hazardous work without a work permit.

Do not use electronic mobile devices when operating machines/mechanisms.

In order to monitor whether the HS management system is operating appropriately and with high efficiency the HS performance monitoring system has been adopted in all RUSAL enterprises. The system comprises four-levels of management control:
GRI 403-4

- First level: monitored by a foreman and other line managers on the daily basis.
- Second level: monitored by shop managers during periodic audits.
- Third level: monitored by division managers during regular audits.
- Fourth level: monitored by HSE Department representatives during regular internal audits.

2.2 ENHANCING THE SAFETY CULTURE

HKEX KPI B2.3, GRI 103-3

RUSAL performs ongoing monitoring of the efficiency of the HS system by:

- Conducting both internal and external audits to verify whether the system is functioning properly and to monitor the efficacy of remedial measures taken.
- Auditing the management system in line with the requirements of international standards
- Performing an in-depth analysis of statistical data on injuries and incidents on a monthly/quarterly/annually basis to learn lessons and to avoid a recurrence of incidents.
- Regularly informing members of the Company's Executive Board about any near misses, incidents involving injury of fatality, and industrial accidents.

GRI 403-1

As planned, in 2020, RUSAL transitioned to the new international standard ISO 45001:2018. The Company conducted a certification audit of the HS management system and currently holds a certificate of compliance with the ISO 45001:2018 standard and an internal auditor certificate. The compliance assessment was conducted by the reputable verification body DNV-GL. This followed intensive work to align internal documentation with ISO 45001 standard requirements and large-scale trainings for employees held together with DNV-GL. In total, 30 internal audits of the health and safety management system were carried out at the Company's sites.

GRI 403-2, ASI PS 11.2, ASI PS 11.3, ASI PS 11.4

RUSAL endeavours to build a strong safety culture with a clear objective: nobody gets hurt. We promote a safety-first mentality for RUSAL employees and contractors to attain our goal of zero workplace injuries and diseases.

As part of creating a strong safety culture, the reporting of work-related hazards and hazardous situations is actively promoted across all RUSAL facilities. The work suspension authority gives employees and contractors responsibility and an obligation to halt work when a perceived hazard or unsafe condition or behaviour may pose a risk to employees. Examples in this regard include a lack of knowledge or clear understanding of a task, a change in workplace conditions, and defective equipment. A guarantee that no sanctions will be imposed on the employee raising an alarm is provided by the CEO of the Group. Furthermore, our approach to safety does not include cost-saving considerations when human lives are at stake.

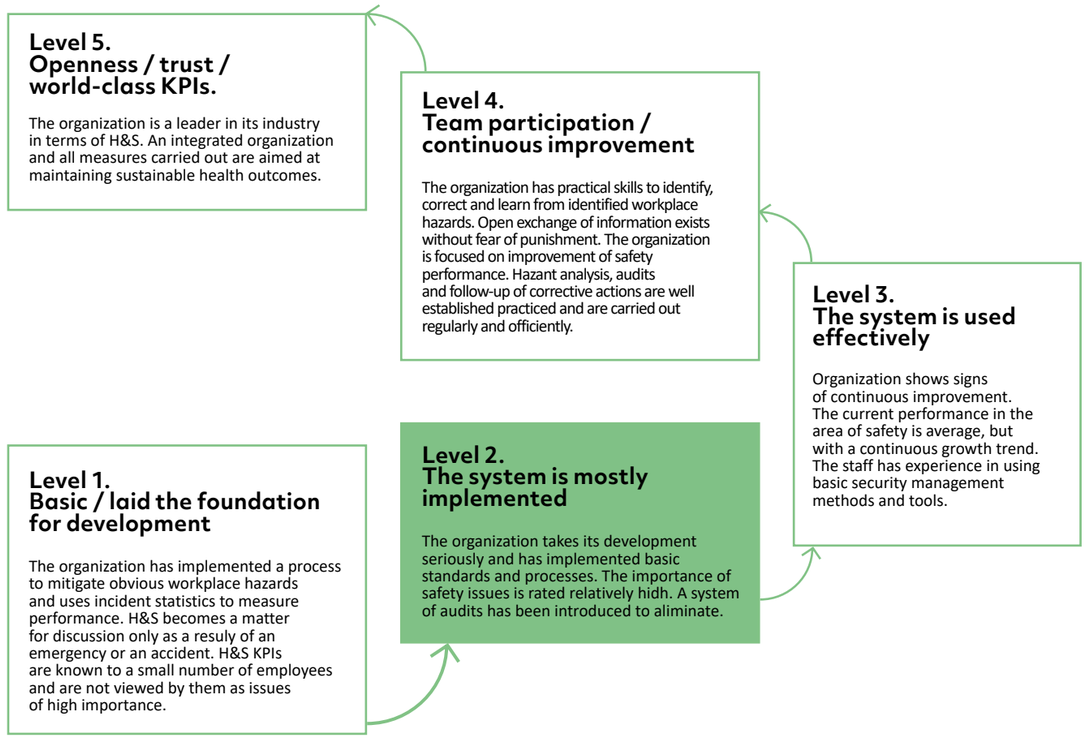
GRI 103-3, HKEX KPI B2.3

The Company always seeks to enhance employee engagement and awareness surrounding health and safety. In 2020, four RUSAL enterprises (Aluminium smelters in Bratsk and Krasnoyarsk, Alumina factory in Achinsk and RUSAL Sayanal) underwent an external diagnostic audit to assess the safety culture. The audit, performed by «Exelum» LLC, identified the weaknesses and strengths of each facility in a wide range of interviews with workers and management and during production site visits.

Based on the audit results, a detailed analytical report was elaborated, which indicated that the current average safety culture rating was 2.1 on a scale of 1 to 5, which corresponds to the Reactive level according to the Hudson safety culture ladder. The working group carefully analysed the audit results. RUSAL will endeavour to achieve the next Predictable level in the coming years through consistently and steadfastly implementing the remedial measures prescribed in the Road Map developed withing the analytical report. The key step in the pursuit of this goal is the modification of employee and executive behaviour so that the Predictable level of the Hudson safety culture ladder is achieved.

In 2021, RUSAL plans for another four facilities to undergo a safety culture audit, in order to bring them up to the same level with the facilities has already been audited.

Safety culture development model



In 2020, RUSAL also continued to perform safety behaviour audits and safety conversations with employees. All the results of audits have been recorded and analysed. If a hazardous situation arose on account of inappropriate employee behaviour, a conversation was held in order to clarify and discuss the essence of the violation. Repeat violations were punished with disciplinary actions, including dismissals.

The Aluminium Division has introduced a regulation on collective responsibility for any HS violation. If an employee violates safety rules during operations, it must undergo a refresher course on the appropriate and safe handling of tools and safe behaviour on production sites, together with all their shift colleagues. This measure is designed to ensure that everyone is on the same page when it comes to safety. In addition, help is extended to new joiners who are not fully aware of the risks posed on site – this also facilitates teamwork skills and fosters occupational responsibility. In 2020, 570 employees underwent related briefings.

GRI 403-1, GRI 403-4

RUSAL requires all employees to be actively engaged in building a safe working environment. For corporate management it is important that they receive comprehensive and regular feedback from employees on site. To address HS risk-related issues, the Company provides employees with various communication channels, including anonymous tools:

- HS briefings
- HS meetings
- The websites of the HSE Department and production facilities (internal and externa)
- ”SignAL” hotline
- Boxes of trust: special mailboxes that employees can use to send written messages

Collective agreements are being concluded with the employees of most of the Company's enterprises, which stipulate in a separate section issues of relations in the field of health and safety (occupational health and safety), which makes it possible to improve the system of management of OHS and HSE. The content of collective agreements must be agreed with trade unions. Through their representatives in trade unions, employees are also involved in the resolution of OHS issues. At each enterprise, there are trade union occupational safety officers who take part in the relevant activities.

2.3 RISK IDENTIFICATION AND MANAGEMENT

The timely identification, analysis, and assessment of occupational risks, alongside implementing effective and modern tools for handling them, plays a vital role in RUSAL’s HS strategy. Risk management is a foundation of all our efforts to safeguard employee health and safe working conditions. GRI 403-7

Based on regulations by the Ministry of Labour, the Federal Environmental, Industrial and Nuclear Supervision Service of Russia (Rostechnadzor), the Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor), state standard requirements (GOST), and internal risk identification regulations, RUSAL carries out comprehensive and integrated risk management activities.

The Company’s risk management system assesses and identifies risks at all corporate levels. All facilities are covered by the system and every single operation that poses a risk is evaluated and monitored by respective executives. The system is assessed every four months and all changes are reflected in the corporate risk map and the risk map of the facility affected. The Directorate for Control, Internal Audit, and Business Coordination reports to the management and Board of Directors on a quarterly basis on any amendments and risk mitigation measures being carried out.

Risk assessment maps are kept up to date and reviews of them are made:

- Within the period established by the organisation, at least once every five years.
- In case of changes in operational activities or domestic legislation or other stakeholder requirements.
- In the wake of an incident/accident occurred.
- If any discrepancies are identified when contracting a new entity.
- When reviewing safety instructions, rules, and regulations.
- If new technological solutions are implemented or new technological equipment introduced.

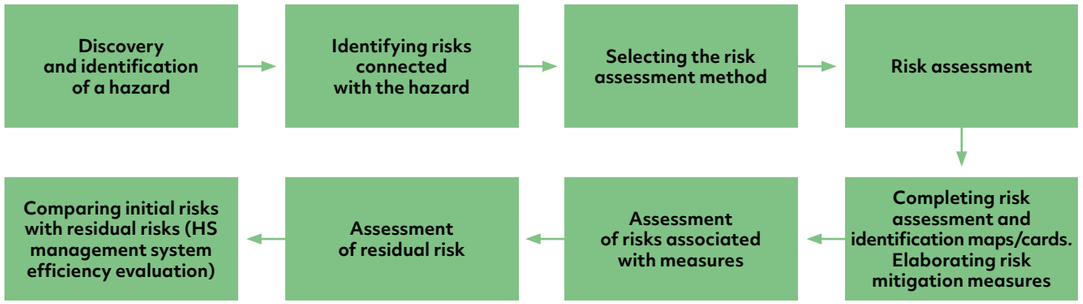
Risk management process

GRI 403-2

The Company can draw on a significant number of methods and tools to assess the risk management system. The level of automation and the overall complexity of the technological process are of crucial importance when choosing the risk assessment and management method. The selected method should be able to assess all significant risks associated with an operation.

Risk assessment algorithm for industrial hazards

GRI 403-2



The risk management method is selected taking into account the respective level of severity:

- **High**
  (the risk level is unacceptable, remedial actions are needed urgently).
- **Medium**
  (the risk level must be reduced to an acceptable level, taking into account related costs).
- **Low**
  (the risk level is acceptable, no further action is needed).

Look Around project

GRI 403-2

In 2019, in line with the commitment to develop and implement a risk-orientated approach RUSAL launched the Look Around project at facilities of the Downstream Division, in which all the employees of a facility are involved in the daily detection and elimination of hazardous factors and where each employee cares about risks. Any detected hazardous situation or activity is recorded and, using a special computer program, is sent to the respective officer in charge, in whose territory the breach has been detected. The officer performs measures to eliminate the violation as soon as possible.

The Look Around project is available both in electronic and paper formats. In industrial shops special stands are installed, on which claims and proposals are placed. A violation can be registered electronically via the corporate portal.

In 2020, due to COVID-19-related restrictions, the programme was not carried out at full strength, however, good results were still achieved. Thus, 15,906 cases of hazardous actions were identified during reporting period, 15,326 of which were eliminated. The remaining cases will be eliminated according to the plan. In total, 461 employee were engaged in this initiative in 2020.

2.4 SAFETY INITIATIVES AND PROJECTS IN 2020

ASI PS 11.4, GRI 403-7

RUSAL continuously monitors the best HS international practices and regularly implements new safety initiatives, in order to enhance the safety culture and create safe working conditions. In 2020 the COVID-19 pandemic caused significant adjustments to our plans. Unfortunately, many projects were frozen, and their execution shifted to 2021. Budgets were diverted towards providing external medical organisation assistance and purchasing private protective equipment for employees.

Projects whose realisation was planned for 2020 are currently resuming. Thus, within the Digital Worker project protective clothing will be equipped with sensors that warn the drivers of special vehicles about dangerous proximity of the employee. This device will send out an alert when an employee is near to vehicle and will automatically stop it.

Despite all the problems brought about by COVID-19 the Company managed to realise a number of corporate safety programmes in 2020.

Overhead cranes operated by remote control

During the reporting period a project to upgrade overhead cranes with remote control functionality was further developed. The Company provides two types of remote control here. The general one involves operators working from a safe and comfortable office away from the industrial shop space. All control offices have been renovated and provide a safe working environment. This solution allowed the risk of occupational diseases and injuries among crane operators working in pitch warehouses at the Krasnoyarsk and Bratsk aluminium smelters to be minimised (89% of which are women).

Eight cameras with large screens are available for an operator for safe crane handling. Furthermore, as required, this technological upgrade enables two cranes to be controlled simultaneously (previously the operator had to change control desks). In case of a loss of video connection, a back-up system is deployed in the shop.

During the reporting period, 4 cranes were equipped with a remote-control system, at RUSAL facilities.

Safety of Production Activities – RUSAL automated informational system

RUSAL continues to realise new advanced tools and solutions to foster capabilities in the areas of preventing, responding, and mitigating the consequences of an incident. Based on the 1C Industrial Safety module, one system is targeted at providing remote control on HS issues, incident risk assessment, and developing unified HS business processes. In 2020 a trail project was completed, and the current stage of adaptation for commercial operations is scheduled to 2021. It was also decided to extend the system's functionality, based on users' wishes.

Other health and safety measures

In addition to large-scale H&S projects, RUSAL also implemented a number of measures in 2020 to improve safe working conditions. So, in 2020, the Company:

- Continued implementation of the project for the installation of anchor lines at the enterprises.
- Installed protection systems against falling employees from the height.
- Installed irrigation and dust suppression systems for loading bauxite onto barges.
- Application of signal markings on:

1. pedestrian parapets to draw the attention of pedestrians to differences in height when moving.
2. places of potential danger (storage of materials, transportation routes, hazardous zones, etc.)

- Covering ore roads with a dust-suppressing mixture based on a water-bitumen emulsion.
- Installation of projection lights, flashing beacons and reverse sound alarm on floor equipment.

2.5 PERFORMANCE RESULTS

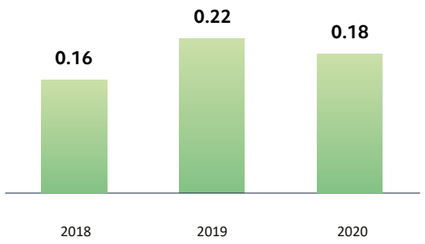
ASI PS 11.4

Whenever there is an accident, RUSAL investigates it and performs a detailed analysis of what happened so as to understand any weaknesses in our daily operational activities. This process involves assessing all possible HS risks – from technical failures to employee fatigue or emotional influences. RUSAL conducts investigations in accordance with domestic legislation and uses a range of additional tools for internal investigations, which are prescribed in internal corporate procedures and include regulations on internal investigations and an analysis of accidents in the field of labour protection, industrial, and fire safety. GRI 403-2

Our main safety metric for management purposes is the Lost Time Incident Frequency Rate (LTIFR)[25]. The LTIFR at RUSAL with the main contractor LLC ECS (LLC Engineering Construction Servicing) stood at 0.18, which was 18% lower than the 2019 figure of 0.22 per 200,000 hours[26]. The number of occupational injuries of employees of the Company's enterprises also declined to 9%, from 94 cases in 2019 to 85 in 2020, among which 17 injuries were identified as being serious. Also, during the reporting period, 13 employees of other contractors were injured on duty. GRI 403-9

LTIFR per 200,000 hours, 2018–2020

GRI 403-9, ASI PS 11.4



In 2020, serious injuries were mostly caused by natural factors, in particular by rock bumps during mining operations.

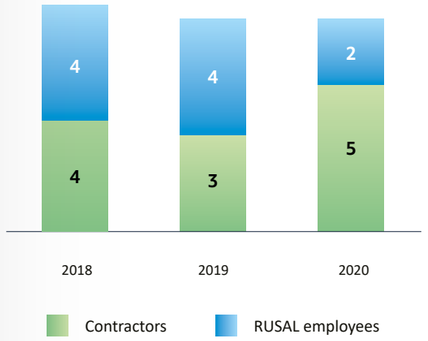
HKEX KPI B2.1, GRI 403-9

There are hazards inherent in a number of RUSAL operational activities, due to their location and nature. Tragically, 2020 claimed the lives of seven of our colleagues. Two were RUSAL employees and five were employees of contractors. We are extremely upset by these terrible losses and express deep condolences and sympathies to the families and friends of those who lost their lives.

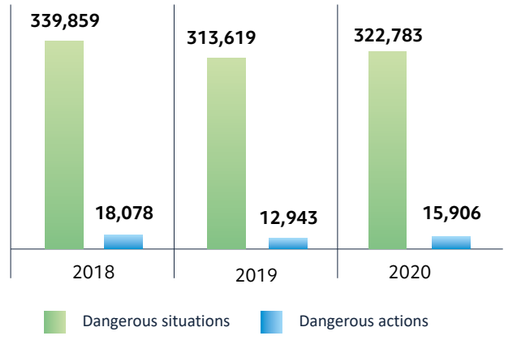
[25]Hereinafter in the section "Health and safety" the injuries and occupational disease cases data represent cases registered by the Company for the current employees.

[26]Hereinafter in the section “Health and safety” LTIFR indicator includes data of the main contractor LLC ECS and equals to 0.18.

Number of fatalities among employees and contractors, 2018–2020



Dangerous situations and dangerous actions identified, 2018–2020



The first fatality related to a rock burst at the mine at the Severouralskiy bauxite mine facility. Despite the mine being equipped with a burst-rock warning system, the time gap is not always sufficient to safely evacuate employees. This phenomenon is still difficult to accurately predict well in advance, and currently there is no technological means available to do this. Following another rock burst (involving no fatalities or serious injuries), it was discovered that there had been a violation of technological processes that resulted in insufficient pit shaft reinforcement, which meant that the mine could not handle the burst. The second fatality involved an employee losing his life in a road accident in Africa, as a result of driver error.

In response to all events a detailed investigation was performed in accordance with applicable laws and local regulations, and remedial actions, including managerial measures and changes in operational procedures, were taken to avert future harm to employees, which is a cornerstone strategic HS goal for the Company.

Each year RUSAL conducts regular health and safety internal audits to be aware of current shortcomings in health and safety. In 2020 RUSAL held 10 external and 1385 internal audits on its facilities. Behavioural safety audits also identified the most common hazardous situations and actions.

In 2020, the hazardous situations were attributable mainly to the mining activities, being in the areas of operating equipment, violations during equipment maintenance and presence of various hazards on passages.

The main types of hazardous actions identified comprise breach of safety rules and regulations and personal negligence and carelessness (violations during loading and unloading work with lifting equipment, using non-designated routes etc).

2.6 TRAINING

ASI PS 11.3, EM-MM-320a.1

The Company has in place a procedure for briefing and training managers and specialists on occupational health and safety basics, in line with respective legislation of countries of presence. All employees undergo regular mandatory briefings, including introductory, initial, refresher, unscheduled, and ad-hoc briefings. Briefings and trainings are held in line with approved programmes. Ad-hoc briefings are provided to employees performing ad-hoc work outside their prescribed scopes of duties. In addition, some employees are trained in first aid, which is beneficial in the event of emergencies or accidents. All technological and technical changes, legislative amendments, and the results of incident investigations are reported to employees at unscheduled briefings and pre-shifting meetings. HKEX KPI B2.3, GRI 403-5

RUSAL also provides e-learning trainings via the Company's own corporate e-learning system. The Company's aim to make our knowledge and training content available to all employees, and to encourage them to take charge of their own development.

In 2020, Look Around «Do not pass by» and Look Around «Safety begins with you» training programmes were developed in RUSAL. As part of the Look Around project, online trainings were conducted. All managers and specialists of the Downstream Division were trained to enhance their risk awareness and ensure a safe working environment. Furthermore, all heads of HSE departments of other Company divisions were covered by this new corporate HS initiative. In total, 890 employees were trained under the Look Around project during the reporting period. GRI 403-5

2.7 HEALTH PROTECTION

ASI PS 11.4

RUSAL always strives to enhance working conditions and to improve the corporate healthcare system. Special medical posts to perform pre- and post-shift checks-ups, provide first aid, and provide other medical assistance to employees are in place in each industrial site.

The RUSAL Medical Centre (RMC) provides employees with high-quality medical services in most regions of operation. The Company also covers expenses related to surgeries and other medical procedures if they are required. All respective employees undergo annual medical check-ups before starting work.

In 2020, RUSAL's occupational medical services concentrated on combatting the COVID-19 pandemic and preventing related infections among the employees. For this purpose, administrative staff switched to a remote working-from-home format. Employees whose presence is indispensable to ensure the continuity of production at sites were equipped with PPE to protect them and others from the virus.

Vitamins C and D were also given to all employees, to help mitigate the risk of grave consequences in case of infection. A great number of antiviral and antibiotics were also purchased by the Company. The monitoring of employees from risk groups (with hypertension and hypotension, diabetes mellitus etc) was strengthened. During the entire period of the pandemic, RUSAL assisted employees with medical treatment and diagnosis of the virus.

RUSAL is convinced that is easier to prevent disease than to treat it. To this end, annual vaccinations of employees are organised at production facilities, to prevent influenza and pneumococcus, which is one of the main causes of acute respiratory diseases in the workplace. Also, at the end of 2020 RUSAL announced the start of vaccinations against COVID-19. The majority of employees aged over 60-65 have already been vaccinated at RUSAL Medical Centres. The Company is currently immunising employees aged over 50-55 and those from risk groups.

RUSAL efforts to combat COVID-19 fight in Africa awarded

The RUSAL medical team was bestowed the national Katala 224 award, for its contribution in the fight against COVID-19 in Guinea. Elena Kolomoets, Head of the RUSAL medical service in Guinea and two specialists from the RUSAL Scientific Clinical and Diagnostic Centre of Epidemiology and Microbiology (SCDCEM), Chief Medical Officer Dr Victor Kpakilé Konomou and General Physician Dr N'Yéréké Jérome Gbamou, were recognised. The centre is known nationally as being a major site to diagnose and treat COVID-19 in Guinea.

RUSAL has traditionally given a hand to Guinea to help it bolster the country's healthcare system. Two medical centres built by RUSAL have been participating in a national programme to combat COVID-19, which includes the SCDCEM in Kindia and a multifunctional medical centre to treat infectious diseases in Fria. Joint efforts on the part of Russian and Guinean medics helped 450 patients beat COVID-19.

GRI 403-7

Despite the COVID-19 pandemic and the efforts expended to mitigate it, the Company managed to roll out other occupational health protection initiatives:

- Targeted measures to reduce the risk of occupational diseases.
- Medical examinations of employees.
- Conversations on preventing musculoskeletal diseases.
- A project to reduce physical loads carried by employees of the electrolysis shop.

RUSAL medical services

GRI 403-3, GRI 403-6, HKEX KPI B2.3

The Company takes care of the health of its employees and makes stringent efforts to prevent occupational and production-related illnesses. The wide range of medical services offered under the corporate programme meets the best international standards as well as domestic legislation.

The RUSAL Medical Centre (RMC) was established in 2005 to give more than 45,000 members of staff, their families, and the local community access to high-quality healthcare. Currently, RUSAL has 14 medical units situated in the regions where the Company operates. All the Company's medical facilities are well equipped, which enables the timely diagnosis of a range of diseases. Regular medical check-ups and other treatments are provided to RUSAL employees free of charge and are covered under voluntary medical insurance programmes.

All RUSAL production facilities in Guinea have their own medical service. Compagnie des Bauxites de Kindia (CBK) – a division of RUSAL – operates two early treatment centres, and three 24/7 clinics for emergency medical care. The doors of emergency medical facilities are open to residents as well.

A further two medical centres and a hospital are available at the Friguia Bauxite and Alumina Complex. The hospital has surgical and therapeutic departments, as well as a maternity hospital equipped with incubators. All medical services for employees and their families are free of charge.

In 2020, a new multifunctional medical centre to treat infectious diseases was built, as part of the hospital at the Friguia Bauxite and Alumina Complex. With all necessary personal protective equipment, the newly built medical facility and its wards host 38 beds and includes an isolated infectious diseases department, a sanitary checkpoint for medical staff, an observatory, and an intensive care unit.

Medical services are also available at facilities in Guyana, Nigeria, Ireland, and Jamaica.

RUSAL supports medical centres in Siberia

Advanced and well-equipped medical centres to treat COVID-19 have been built by RUSAL in seven cities in Siberia and the Ural Region: Krasnoturinsk, Achinsk, Boguchany, Shelekhov, Bratsk, Taishet, and Sayanogorsk. 60-120 beds, intensive care units, and diagnostic departments are available in the new medical facilities. They are also equipped with modern computed tomography scanners, ultrasonography equipment, ventilators, and instruments for functional and laboratory diagnostics.

Highly qualified personnel for these medical centres were selected, and additional trainings provided for specialists, including one on working with complex medical equipment. Currently the medical centres are focused on the fight against COVID-19 and are prepared to treat patients with pneumonia. After the epidemiological situation stabilises and eases, it is planned to reconfigure the centres as immunological facilities, where special attention will be paid to the diagnosis of complex diseases.

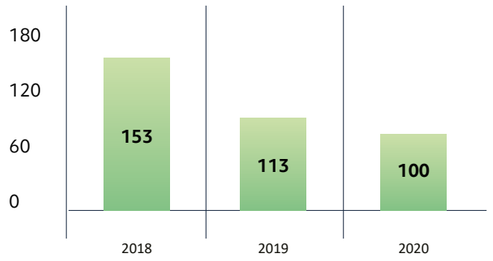
New medical facilities will also receive ambulances and a great amount of PPE, including special protective clothes for doctors. Over USD4 million was earmarked to realise this initiative.

Performance results

RUSAL strives to improve working environments and to bolster occupational healthcare, through organising various awareness-raising campaigns and implementing new, bold initiatives. We are confident that such an approach has engendered a steady decline in the number of cases of occupational diseases in recent years: since 2015, the number of occupational diseases has fallen by more than 50%.

GRI 403-10

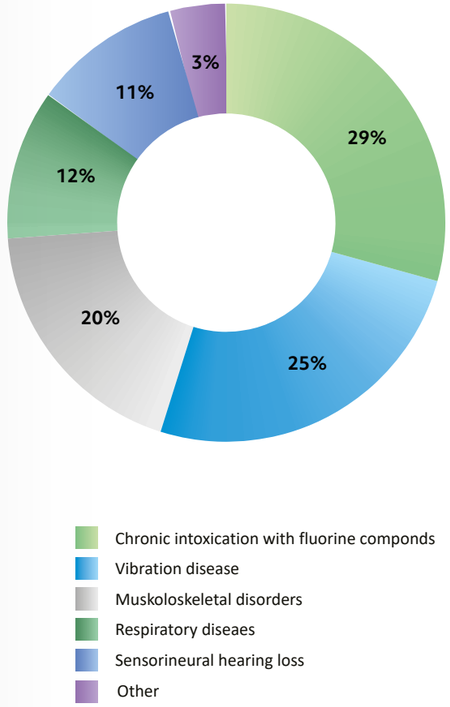
Dynamics of occupational disease cases, 2018–2020[27]



The structure of registered occupational diseases at RUSAL facilities saw no significant changes in 2020. The most common reported occupational disease related to chronic intoxication with fluorine compounds, impacts from vibration, and sensorineural hearing loss.

[27]The statistics do not include cases of newly diagnosed occupational diseases in the post-exposure period.

Structure of registered occupational diseases, 2020



Improving working conditions

The Company seeks to create such working conditions for employees that would facilitate hard and effective work. To this end, RUSAL has initiated a project aimed at reducing physical loads carried by employees of the electrolysis shop. Within this initiative, during the reporting period 30 exoskeletons were purchased and tested in a control group of RUSAL employees, which were subject to strict medical monitoring and controls.

As part of the further development of this initiative and its prompt implementation in daily operations, a working group was established, together with the Ministry of Labour. Issues related to the construction, production, and testing of exoskeletons are not covered by any Russian legislation regulation or standard. Joint efforts from RUSAL specialists and state officials are focused on elaborating a new GOST that will determine specific issues related to exoskeletons production and procedures for testing. We expect this standard to be officially registered by the end of the 2021.

The next important step is to implement exoskeletons into the Model Regulation of PPE, which will enable companies to purchase PPE as ordinary protection equipment.

2.8 CONTRACTOR ENGAGEMENT

RUSAL understands that engaging contractors in its safety programmes and initiatives is crucial in order to provide an overall high level of safety, especially given that some recordable cases of injuries involve contractors' employees.

All contractors must adhere to RUSAL HS standards and regulations on the industrial sites. Interactions with contractors are regulated by The Regulation on Managing Contractors in the field of HS. This regulation sets forth the requirements for assessing, informing, and monitoring the activities of contractors and subcontractors in order to comply with industrial, fire, and environmental safety requirements, as well as labour protection requirements.

During the contractor selection stage, RUSAL carefully analyses the overall HS background of the contractor company for the past three years (including cases of injury, fatalities, fires, and accidents) and ensures that workers have undergone all respective HS trainings and are allowed to enter industrial sites. Preference is given to companies that demonstrate the best commitment to safe operational activities. Costs are taken into account, but are not a crucial factor. All HS issues related to contractors are supervised by a specially appointed contractor's safety manager.

From 2021, a system of penalties for HS violations will be introduced for all contractors. A list of penalties, including contract termination, is set out in the contractor contract, as well as other applicable HS clauses. Before entering a site, the contractor's employees must be familiar with risk-assessment maps and other corporate HS documentation, through which they are introduced to the Company's fundamental safety basics and values. Our contractors are regularly audited by the contractor's safety manager and line managers for compliance with HS rules.

As part of ensuring overall safety performance, all RUSAL contractors undergo health and safety trainings before commencing work.

2.9 EMERGENCY PREPAREDNESS

GRI 403-7, HKEX KPI B2.3

All RUSAL facilities are equipped with modern tools to respond to a wide range of emergencies including caused by natural disasters or industrial accidents. In case of an emergency, RUSAL can activate a special emergency fund to finance all required operations. Emergency funds are allocated to each enterprise.

ASI PS 11.3

RUSAL employees regularly undergo training and exercises on their roles and duties in emergency situations, in order to be sufficiently prepared in case an incident occurs. The Company performs in-depth analyses of each emergency and informs employees about the results of investigations.

In 2020 RUSAL performed an unscheduled inspection of all tanks containing flammable liquids and hazardous and toxic chemicals. As a result, a broad register of all available reservoirs, including those of RUSAL foreign assets, was drawn up. During the inspection the current condition of each tank was established. In 2021 an in-depth technical appraisal, featuring fire and environmental risk assessments, will be performed for each reservoir.

Regular theoretical and practical trainings are conducted at all facilities. 57 emergency response drills and 6 emergency trainings were conducted at RUSAL production facilities in 2020.

2.10 PLANS FOR 2021 AND THE MIDTERM

ASI PS 11.4

In 2021 and the mid-term period the Group will seek to further improve its health and safety performance. The Company plans to focus on the following tasks in the next few years:

- Further realisation of the Safety Culture project.
- Initiating a project to assess unsafe behaviour from employees.
- Further realisation of the Vision Zero initiative.
- Further engagement and leadership development of the management and senior executives through behavioural audits.
- Technical appraisals of all tanks.

03

EMPLOYEES

56,150
total headcount at the end of the year

10.9%
employee turnover rate

7,559
employees underwent training

85.5%
share of employees covered by collective agreements

CONTRIBUTION TO UN SDGS

3.1 MANAGEMENT APPROACH

HKEX para 13, HKEX Aspect B1, GRI 103-1, GRI 103-2, GRI 103-3, ASI PS 2.1 a,b, ASI PS 3.1

Our main value is our team. From an ordinary worker to a managing director and senior manager, each and every RUSAL employee has a chance to unlock their potential, demonstrate and develop professional and managerial skills, and climb the career ladder.

The Company is always seeking to develop and improve the effectiveness of personnel management approaches. That is why RUSAL is regularly making improvements in this area through introducing new policies, tools, and techniques.

The Company's approach is based on international standards, as well as the laws of the countries where we operate.

We have adopted a HR management policy that enshrines the basic corporate principles of observing and protecting the rights of employees. RUSAL is guided by the current personnel management strategy, which includes measures to increase employee engagement, loyalty, and satisfaction.

The mechanism for assessing the effectiveness of the approach to personnel management and the issue of observance of human rights is represented by regular monitoring of data on the implementation of KPIs in relation to the stated goals and strategic priorities, collecting feedback from stakeholders, including through grievance redress mechanisms.

In 2020 RUSAL understood that due to the current situation vis-à-vis COVID-19, measures needed to be taken to ensure business continuity and a full year-round operational cycle. For this purpose minimum necessary teams of key specialists were created at each enterprise to ensure uninterrupted, trouble-free operations. The teams worked in shifts: the workers lived in isolated rooms, and, in the event of a deterioration in the epidemiological situation, were responsible for maintaining operational efficiency at enterprises.

Boosting the efficiency of internal processes

The General Service Centre began operating in RUSAL in 2019, and its chief task was to consolidate the personnel administration, recruitment and remuneration functions. The transfer of these functions from enterprises to the General Service Centre is gradual. In 2019, the centre served about 15 thousand employees. In 2020, 12 enterprises with a total of 15,339 staff joined the centre. Currently the centre serves around 26 enterprises, and around 35,000 employees. In 2021, we plan to connect all remaining enterprises to it.

Targets and strategic priorities

- Continued implementation of the program to increase the level of wages
- Further expansion of the scope of the General Service Centre
- Launch of the housing program
- Launching centres in Bratsk and Achinsk to prepare students for admission to key universities - partners of the Company's target recruitment
- Creation of a consolidated automated system of personnel management processes and unification of all separate systems in it (setting goals, recruiting personnel, paying remuneration, etc.)
- Integration of the development of an automated corporate training system within the automation of the Company's HR processes

Who's in charge?

- The HR Directorate

Which guidelines do we follow?

- The HR Management Policy
- The Regulations on Training and Education of Personnel
- The Talent Pool Regulation
- The Non-Financial Motivation Regulation
- The Code of Corporate Ethics
- The Human Rights Policy

3.2 PERSONNEL STRUCTURE

GRI 102-8; HKEX KPI B1.1, KPI B1.2, SASB EM-MM-000.B

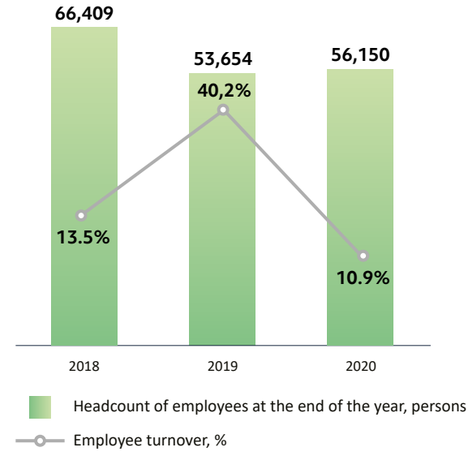
Total Company headcount at the end of the year stood at 56,150, employed by 43 enterprises in 13 countries across the world. 82% of employees work in Russia.

The vast majority of employees (99% in 2020) work under permanent contracts. The share of part-time employees and freelancers in the past few years has been around 1%.

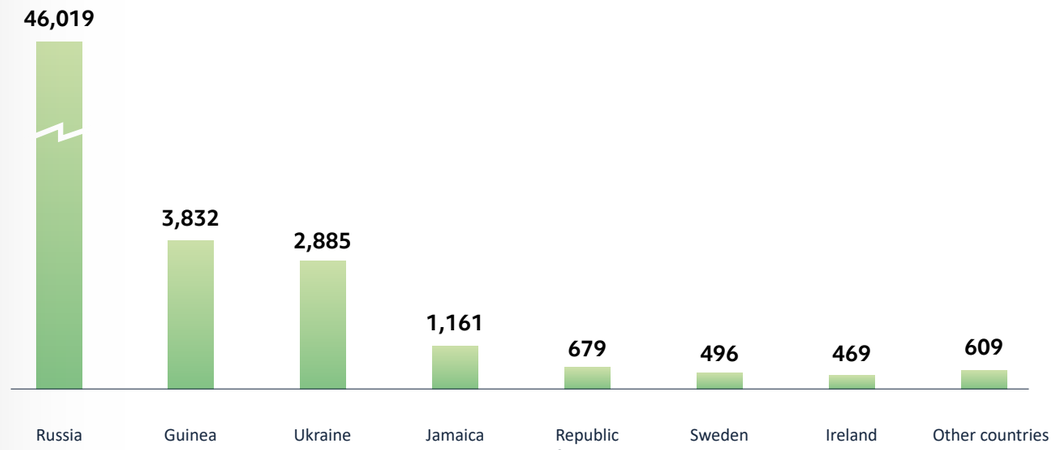
In 2020 employee turnover at Russian enterprises stood at 10.8%, while at the enterprises of other countries where we operate it was 11.8%. The overall staff turnover at RUSAL in the reporting period was 10.9 (11.1% men, 10.5% women). In the Company's foreign facilities, employee turnover was up 2.8% on 2019, while in Russian facilities this figure fell by 36.9%, partially due to the release of employees in 2019 as a result of a reorganisation of the enterprises within Engineering and Construction Division.

Headcount of employees at the end of the year and employee turnover[28], 2018-2020

GRI 401-1, GRI 102-8, SASB EM-MM-000.B



Total number of employees by country[29], 2020 year-end, persons



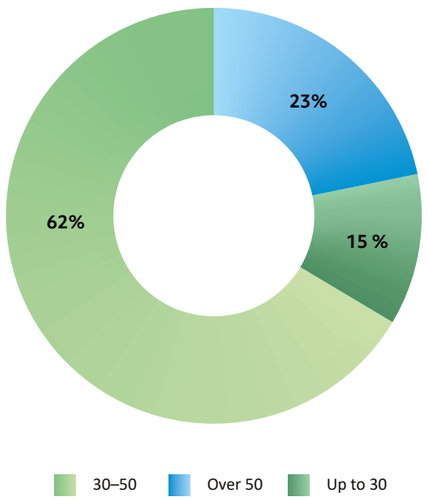
The gender and age composition of employees has remained stable in the past few years. Due to the nature of the Company's activities, the bulk of employees are men (75%).

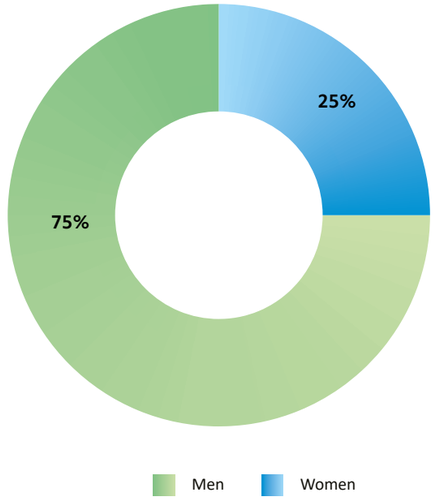
[28]Staff turnover was recalculated for 2018-2020 due to a change in the approach to calculating the indicator. When calculating the indicators, instead of the average headcount of employees, the value of the total headcount at the end of the year was used.
[29]"Other Countries" are defined as countriesthose where the total workforce at the end of the reporting period is less than 400.

In 2020, over half of all employees were aged between 30 and 50 (62%).

Employee structure by age and gender, 2020, %

GRI 405-1, HKEX B1.1



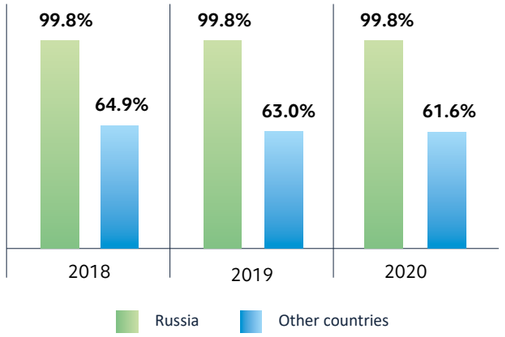


Production workers make up the largest part of the total number of employees (79%). Senior management accounts for around 1% of the total, with 83% of senior management being men.

The Company's priority when searching for employees, including senior management, is to hire representatives from the local population; RUSAL considers candidates from other regions only if highly qualified candidates with the appropriate knowledge and experience cannot be found among the local population.

Share of senior managers recruited from the local population in Russia and other countries, 2018-2020, %[30]

GRI 202-2



[30]The share of senior managers recruited from the local population in Russia and other countries was recalculated for 2018-2020, due to enhancements made to the reporting process. When calculating the indicators, instead of the average headcount of employees, the value of the total headcount of employees at the end of the year was used. The geographical definition of 'local population' includes a country.

3.3 STAFF RECRUITMENT

RUSAL believes that highly qualified personnel are the foundation of the Company's development and success. That is why the Company pays great attention to recruitment issues and actively implements projects aimed at finding and attracting new talent.

In 2020 the new digital platform Univer was unveiled, which now brings together in one place all the vacancies and internships currently being offered by RUSAL and EN+. The Company's vacancies are also posted on the open recruitment website hh.ru. In 2019, as part of the General Service Centre for all Russian enterprises of the Company, a single recruitment process standard was elaborated, which is now being applied.

During the selection process, special attention is paid to the motivation of candidates and their compliance with the Company's corporate values. On our part, we seek to provide applicants with detailed information about upcoming tasks, the corporate culture, and the various opportunities that exist within the Company.

Attracting young talent

The Company seeks to recruit young engineers with a good level of education and the necessary qualifications.

A sought-after profession and a guaranteed job: these are the benefits available for students of RUSAL's targeted training programme. School graduates that have successfully passed the Unified State Exam and interview process and who are medically fit to work at mining and metallurgical facilities can participate in this programme.

RUSAL targeted education programme students study under an expanded programme, in the specialties Non-Ferrous Metals Metallurgy and Mining at the universities of Krasnoyarsk, Yekaterinburg, and Irkutsk. The Company provides corporate scholarships to such students, and fully covers their education, materials, accommodation, and travel expenses.

RUSAL pays named scholarships to the most distinguished students of full-time and higher education institutions, who are trained in the mining and metallurgical specialties that are in demand at the Company, and who demonstrate success in academic, scientific, research, social, and volunteering activities.

Engaging with young people

School students

- Engineering clubs and sections
- Excursions to production sites
- Help talented children to participate in the JuniorSkills professional skills championships and RoboFest robotics festival
- Metallurgical Olympiad 13 element. Alchemy of the future
- RUSAL classes
- Corporate educational programme Expedition to Planet RUSAL in the children's health camp Druzhba
- Career guidance for applicants

University students

- RUSAL Laboratories in partnership universities
- Targeted training in specialised universities in Krasnoyarsk, Yekaterinburg, and Irkutsk
- Manufacturing practice with the prospect of a job invitation
- Engaging students in research and development
- Targeted training of students from Guinea, Guyana, and Jamaica in Russian universities to work at the Company's foreign enterprises
- Personal scholarships and educational grants

Graduates

- The New Generation programme

Company employees

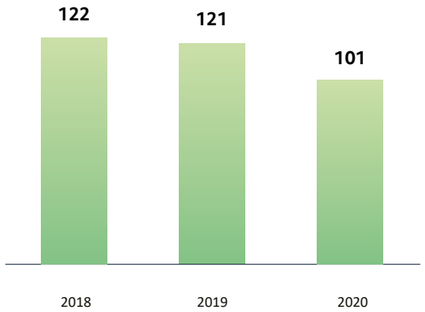
- Corporate and personnel training programmes to develop professional skills, foster career development, and related specialties
- Adaptation and development programmes for young employees
- On-the-job higher education programmes offered by the Siberian Federal University
- Support for youth councils and their initiatives
- The BS-250 internal personnel reserve

New Generation internship programme

The New Generation programme has been running at RUSAL since 2017. Graduates aged under 27 majoring in over 20 specialties can take part.

Young professionals are given an opportunity to do internships under the guidance of experienced mentors at any RUSAL Russian enterprise. An internship lasts three months for those with working specialties, and six for engineering and technical personnel and managers. At the end of the internship, each participant presents their project to a commission and, if successful, receives a full-time job offer. In 2020 the programme was suspended for six months due to COVID-19. In the first five months of 2020, 35 interns were employed by the Company.

Number of students participating in targeted programme, 2018-2020



RUSAL to Russian Schools

This project saw a boom in activity in 2020. The project allows, using our distance learning system, remote learning to be conducted at schools and colleges that do not have their own equipment.

At its core it is a platform for training our employees, which we finance and administer, and open part of it to schools. The process is regulated by cooperation agreements with educational institutions. Currently, around 180 educational institutions are managed.

In its traditional format, face-to-face classes were held for schoolchildren of 9-11 classes in the subjects mathematics, physics, and chemistry. In particular, students prepared for the Unified State Exam. The project was needed due to an inadequate education level in certain regions where the Company operates.

To boost efficiency, the following changes were implemented: expanding the geography of operations, project digitalisation using up-to-date online tools, a substantial increase in the target audience (the course to prepare for the Main State Exam has 745 participants, while the Unified State Exam course has 700).

As part of the project, students of grades 9 and 11 study in-depth specialised subjects: physics, chemistry, mathematics. For each course, there are 60 lessons (20 for each subject). Each lesson consists of a video tutorial, lecture materials, and tests. To analyse and solve problems of increased complexity, online webinars are held with teachers and students, where students can directly ask questions. Teachers from Irkutsk National Research Technical University (INRTU) and Siberian Federal University (SFU) are involved in preparing manuals and lecture materials.

RUSAL Laboratories

RUSAL Laboratories is a scientific competition for students. It is held separately for students studying in universities and technical schools (colleges) in five specific areas:

- Electrolysis production boosting production safety.
- Foundry technologies and innovative alloys
- Alumina production.
- Carbon production and materials.
- Innovative aluminium products.

By participating in the RUSAL Laboratory competition, talented students have an opportunity to develop, as well as join the Company's external personnel reserve. The main results of the competition are the recruitment of participants and the implementation of results in existing business processes. In 2020 the Company continued to implement this project, and adapted it to an online format. The competition has expanded its geography: students from any higher and secondary vocational school in Russia can take part.

The theme of the competition in the 2020-2021 academic year was Green Technologies: innovative solutions aimed at the large-scale modernisation of existing production assets, and which reduce harmful emissions into the atmosphere, save resources, and introduce closed-water circulation systems and energy-efficient production projects.

42 teams have already submitted projects to the competition, and 240 students have applied to join the project's talent pool. Leading RUSAL scientists and engineers provide expert support in each area.

Metallurgical Olympiad 13 element. Alchemy of the future

The aim of the competition, which has been held with RUSAL support since 2012, is to identify and develop the abilities of schoolchildren in natural science subjects (mathematics, physics, chemistry, and computer science). Over the entire period of the Olympiad more than 14,000 schoolchildren took part.

In the current 2019-2020 season, 4,244 schoolchildren from 257 schools in more than 50 regions of Russia tested their knowledge. Traditionally the competition is also held among teachers and schools.

237 schoolchildren won prizes: 29 took first place, 67 second place, and 141 third place. The winners will receive diplomas and gifts, while 11th grade graduates will get an additional 10 Unified State Exam points upon admission to partner universities.

The prize-winners are enrolled in the talent pool and have advantages when enrolling in RUSAL classes, and can also continue to work on their own and on new projects in the student corporate centre for youth initiatives, RUSAL Laboratories.

International targeted education programme for students from Guinea and Jamaica

Since 2011, RUSAL has run a programme to train specialists in Russian educational institutions to work in the Company's foreign enterprises. The programme participants are students and graduates from Guinea, Guyana, and Jamaica, who have demonstrated excellent academic performance in their home countries and passed a competitive selection procedure.

The Company covers the costs of their flight, tuition and accommodation in Russia, provides medical insurance, and pays a monthly stipend, provides warm clothing and legalises diplomas. During their training students not only receive theoretical knowledge, but also undergo practical training at RUSAL production sites, including in the Ural and Siberian regions and the Komi Republic, as well as at the RUSAL central office.

In 2020, 75 students from Guinea and Jamaica continued their bachelor's degree studies. And 23 Jamaican and 17 Guinean students completed their studies at the Siberian Federal University and Novokuznetsk Industrial Technical School and returned home for employment at the Company's enterprises.

Hiring people with disabilities

The Russian Federal Law "On the Social Protection of Disabled Persons in the Russian Federation" sets a quota for hiring disabled persons of two-to-four percent of the average number of employees, not including positions where working conditions are classified as harmful or dangerous.

In this regard, for people with disabilities the Company has allocated vacancies for such specialties as laboratory assistants, storekeepers, etc.

RUSAL sends information about open vacancies for people with disabilities to the Russian Employment Centre every month. The Company guarantees that every candidate sent from the employment centre will be employed, provided that their knowledge and skills are appropriate for a corresponding vacancy.

3.4 MOTIVATION AND REMUNERATION

Remuneration

The Company adopts a unified wage regulation at all its enterprises, and the entire remuneration system is based on this regulation. Salary packages comprise a fixed part, a monthly bonus, compensation payments (e.g. for working nightshifts, or working in harmful conditions), regional wage coefficients, and a northern index[31].

The size of a bonus for management personnel depends entirely on the fulfilment of KPIs and the attainment of set goals. The performance of production workers is determined by the results of shift assignments. If an employee has completed all shift tasks and not received any disciplinary sanctions in the past month, they are entitled to a bonus. GRI 102-36

Basic monthly salary of categories of employees Breakdown of by gender[32], 2020, USD. GRI 405-2

	Russia	Other countries
Senior managers		
Men	4,070	12,318
Women	2,064	4,814
Middle managers		
Men	1,239	3,801
Women	1,045	1,965
Specialists		
Men	957	3,993
Women	719	2,966
Workers		
Men	512	360
Women	382	285

Additional annual bonuses are awarded to employees that contribute to business development projects, production optimisation, and who take part in the Company's social projects. In addition, bonuses can be paid from the funds of the heads of production enterprises to the best employees.

Under law, the level of northern allowances paid to staff increases in proportion to seniority in the northern regions. The Company pays its employees the maximum level of northern allowances from their first day of work.

[31]The northern index is a fixed percentage that increases the wage and a certain number of other types of income of a citizen in order to cover the high expenses necessary for territories where harsh conditions prevail.
[32]The average US dollar exchange rate (RUB 72.1464 per USD) was used in the calculation.

Three-year remuneration-raising programme

In 2019, the Company elaborated and implemented a three-year programme to increase remuneration, primarily for employees engaged in production.

In 2019, the average employee salary was up 10.7% on 2018. In 2020, employee salaries were up 11.3% compared to 2019, and 23.2% compared to 2018.

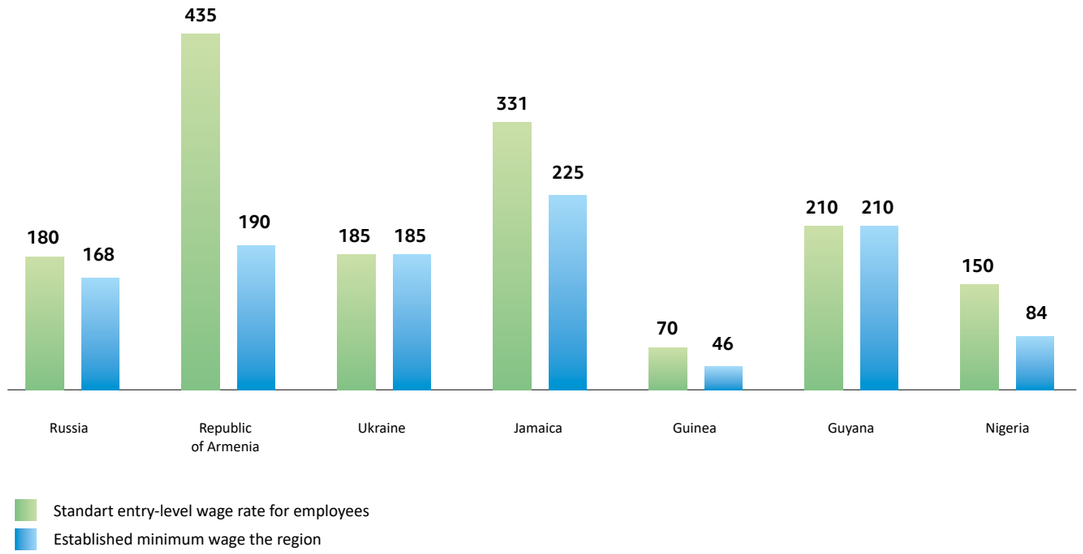
Bonuses paid to workers based on 2020 results

This project is being implemented as part of RUSAL's remuneration-raising strategy, and the programme is planned to be completed in 2021.

The Company-wide centralised bonus payment programme is in its third year. The size of a bonus depends on the actual time worked in 2020 for each individual employee, without additional restrictions on the length of service.

Standard entry level wage rate for employees and minimum wage in key regions where the Company operates[33], 2020, USD

GRI 202-1, ASI PS 10.7a



[33]The average US dollar exchange rate (RUB 72.1464 per USD) was used for the calculation.

Social support

GRI 401-2

The Company continues to implement social support programmes in the field of health care and sports, including through organising trips to sanatoriums and summer camps for employees and their children. RUSAL provides employees with a range of benefits in addition to those stipulated by law, including:

- A daily food subsidy for each shift, which guarantees that an employee gets a substantial hot meal each working day.
- Opportunities to play sports and participate in sports activities for free.
- Free corporate medical care from the RUSAL Medical Centre LLC.
- Discount vouchers for treatment in sanatoriums and dispensaries located in Russia.
- Voluntary medical insurance policies at discounted prices, both for employees and their family members.
- Holding holiday events dedicated to the anniversary of enterprises and the professional celebration of the Day of Metals. Annual New Year trees are held for children of employees, where each child is given a gift from the Company.
- Material assistance for pensioners that previously worked at Company and are registered with charities, as well as the victims of blockades, prisoners, and home front workers during WWII, as well as war veterans.
- A corporate housing programme that enables employees to purchase housing on preferential terms.

RUSAL has a Social Programme in place, which provides a number of social benefits to employees, including: the purchase of voluntary medical insurance policies, transport to-and-from work, and material assistance in challenging life situations. RUSAL employees usually pay no more than 10% of the cost of a trip to a sanatorium and 15% of the cost of a trip to a children's camp. In 2020 the Company spent RUB 241 million on additional medical insurance (DMS), RUB 449 million on medical institutions, and RUB 28 million on vouchers (without social insurance).

In comparison with 2019, Social Programme expenses increased by RUB 131 million. Total costs on social programmes for personnel stood at RUB 4.1 billion in 2020.

Due to the current situation regarding COVID-19, RUSAL provides all employees with masks and antiseptic creams free of charge.

Company data on COVID-19 in 2020

Number of COVID-19 tests performed in 2020	135,337
Number of employees with COVID-19 in 2020	6,042
Number of employees who fell ill with COVID-19 and died as a result of COVID-19 in 2020	23

Housing programme

In 2020, despite the challenging economic situation, our preferential housing programme for factory employees resumed.

The programme allows employees to get a mortgage at a reduced interest rate of 6.5% per annum. At the same time, 50% of the monthly payment is covered by the Company. The Company also pays a deposit of 10% for the employee. Employees can buy an apartment on the primary and secondary market, as well as refinance a valid loan through a corporate mortgage.

A housing certificate can be obtained by those who have worked at the Company's enterprises for at least five years, received no disciplinary penalties, and are engaged in the life of the plant. The selection of participants is based on clear criteria: seniority, delivering on KPIs, high-quality performance of work duties, professional awards, and social activities. As at the end of 2020, 701 employees had been approved to participate in this programme.

The programme is already being implemented in the following cities: Achinsk, Bratsk, Divnogorsk, Irkutsk, Krasnoyarsk, Sayanogorsk, and Shelekhov. In 2021, we plan to expand the geography of the programme to encompass the Ural enterprises and add Volgograd and Novokuznetsk as well.

Healthy lifestyle

All RUSAL employees are entitled to receive medical care at the Corporate Medical Centre, which has 12 branches and four separate divisions in nine regions where the Company operates. The centre has a staff of 623 employees who serve over 48 thousand people.

Prevention of occupational diseases:

- The RUSAL Medical Centre has elaborated programmes to prevent diseases of the musculoskeletal, cardiovascular, and respiratory systems. Respective treatments include physiotherapy, herbal medicine, oxygen cocktails, hand massage, physical therapy, vitamin therapy, light therapy, and inhalation therapy.
- Memos are sent out on how to adopt a healthy posture and exercises, and on domestic calisthenics routines.

Medical check-ups:

- These allow health levels to be monitored, diseases to be identified at an early stage, and preventive and rehabilitative measures to be performed.
- Based on the results of an examination an employee is allocated to a specific health group and recommendations are made on the prevention of diseases; if there are any medical indications, further monitoring and treatment are prescribed.

In 2020, the Company spent RUB 6,496,877 on sports and related events for employees.

- RUSAL provides free fitness centres at industrial sites.
- The Company's budget annually covers the cost of employee visits to fitness centres.
- Employees subject to harmful working conditions undergo annual medical examinations.
- All RUSAL employees are given a food subsidy, which is accrued each shift. This provides them with a substantial lunch.
- Production workers at almost all Company enterprises are given 0.5 litre of milk each shift.

3.5 TRAINING AND DEVELOPMENT

HKEX KPI Aspect B3, HKEX para 9, HKEX para 10, GRI 103-1, GRI 103-2, GRI 404-2

The Company's numerous personal and professional growth tools help our employees keep up to speed with modern technologies and ensure that their knowledge is up to date and relevant.

The RUSAL Corporate University is responsible for producing a development strategy for all Company employees that will facilitate their professional growth and effectiveness. Programmes and projects implemented by the Corporate University are aimed at developing the current skill-sets of all employees.

The Corporate University gives birth to ideas, formats, and methods for training RUSAL personnel. Trainings are carried out by both the Company's specialists and invited teachers.

A total of 7,559 employees were trained in 2020. The total number of hours of employee training was 128,908 hours, 2.3 hours per trained employee.

Virtual casting machine simulator

In 2020, RUSAL began using a virtual casting machine simulator: an interactive computer system for personnel training. The functionality of this system is based on realistic 3D models that use virtual reality technologies. Immersion in the simulator's virtual environment and working out solutions using the machine is performed using VR equipment.

Such training systems help prevent violations of the production process, which can result in damage to or the destruction of assets, as well as harm to human health.

The virtual simulator has contributed to:

- raising the skill levels of personnel in safe (remote) conditions
- training personnel to act in emergency situations
- identifying and monitoring the professional skill levels of personnel
- boosting production safety

Due to the rigid alignment of map processes and sequences, the simulator allows not only new employees to be trained, but also the knowledge of those already trained to be refreshed.

Functional academies

Functional academies provide personnel training system in the areas required by the Company's enterprises. Initially, refresher courses were organised for workers in main production processes; currently, ecologists, laboratory assistants, meteorologists, power engineers, lawyers, and investors are also able to gain new knowledge.

In 2020, the Company launched the HR Functional Academy. All HR Directors in the Central Company and enterprises have been tested on 10 HR topics. Subsequently, two educational programmes were elaborated:

- basic
- advanced (for directors)

The basic training programme has already been completed by all those for whom it was intended. In April 2021 the advanced training programme will be launched.

We are standardising approaches and levelling knowledge among all HR representatives, in addition to ordinary managers.

In 2021, it is planned to open a functional IT Academy at the INRTU. The goal of this academy project is to provide the Company with highly qualified young IT specialists by developing unique competencies based on the business needs of the metallurgy and energy industries. The IT Academy is a three-year system of additional training for students specialising in information technologies for RUSAL and En+ Group.

2020 – the year of HR process automation

Automation has played a major role in the evolution of learning and development processes. In 2020 a project task was created, functional requirements for the system were determined, and a new system of training and development of employees – Univer (internal platform) – was developed. In December the system was ready for pilot operation, and in 2021 it is already at the implementation stage.

Although personnel accounting continues to be performed using the 1C platform, it will be linked to the new platform. Each employee will receive a personal account through which they can take part in courses, seminars, webinars and other training events.

Univer

All training and development processes were previously divided into different systems, but are now assembled on a single platform called Univer. Automation is performed jointly with En +.At the end of 2020, the development of the open educational platform Univer, which could be accessed by both computer and phone, began. The platform will combine RUSAL projects and contain information on vacancies, internships, and various soft-skill trainings. The project launched in February 2021.

The project has two main objectives:

- collate in one place RUSAL and EN+ professional orientation projects, vacancies, and internships
- provide users with free access to educational content, from time management to team management modules

Updating competency models

We have completely revised the management competency model, and surveyed over 3,000 of our managers. Based on these data, a competency model was developed, which was successfully approved by top management. Based on the model, personnel reserve assessment tools were selected for all levels of staff, from line reservists to top managers.

Internal talent pool

A pool of successors has been created for all levels of the management reserve and key experts for the Central Company and enterprises:

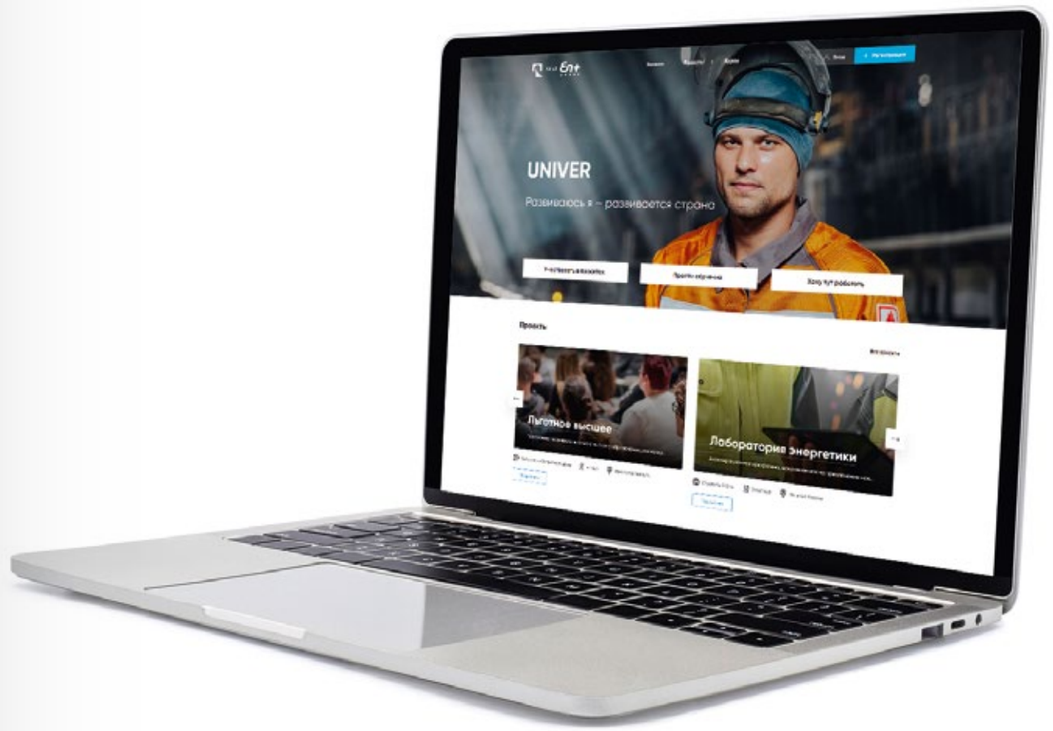
- reserve for top management level: 84
- reserve for mid management level: 63
- reserve for line management level: 3,434

Each Personnel Reserve programme participant is evaluated on a competency scale, which helps determine how ready they are to work in a higher position. Based on the respective results, an individual development plan is drawn up, which can include a wide range of tools – from distance learning system classes, trainings, courses, and cross-internships to referrals to leading universities.

Any employee who aspires to career growth can join the internal personnel reserve. The training of reservists is carried out as part of the BS 250 programme. Its participants learn how to solve specific production tasks and implement improvement projects. Specialists that have successfully completed training under this programme are assigned to senior positions at RUSAL enterprises.

Hundreds of successful graduates today hold senior positions at all levels, from line masters and procurement managers to the managing directors of enterprises. The rotation, relocation, and promotion of reservists within RUSAL under the Personnel Reserve programme has become an established way to develop colleagues.

As part of the BS250 programme, 140 successors were trained in 2020. To evaluate the efficacy of the programme, programme participant appointments to managerial positions for the period 2015-2020 were scrutinised, and a total of 603 people were appointed. The total duration of the programme has been reduced to two years.



3.6 SOCIAL PARTNERSHIP

GRI 407-1, ASI PS 10.1a, 10.1b, 10.5,
SASB EM-MM-310a.1, EM-MM-310a.2

RUSAL recognses the right of employees to join associations to protect their interests and develops long-term partnerships with trade unions.

Collective agreements are concluded at the majority of the Company’s Russian enterprises, and around 85.5% of the Company’s employees are covered by collective bargaining agreements. GRI 102-41

Trade unions are actively involved in determining the scope of benefits that RUSAL provides. Collective agreements (in Russia) and similar agreements in other countries where the Company operates are a tool for regulating such issues as working hours and rest times, protecting the health and safety of employees, the remuneration system, social guarantees, and partnerships with trade unions.

The Social Council of RUSAL serves as a liaison between employees and the Company in matters pertaining to social partnership. This body annually assesses social partnership results, discusses the results of the Company’s work and future plans, and the implementation of the terms of collective agreements on the part of the employer. Members of the Social Council are representatives from the Company’s employees and management. Council meetings are held at least once a year. In 2020, due to COVID-19-related restrictions, the meeting was held in a remote format. The next meeting of RUSAL's Social Council is scheduled for May 2021.

Operations in which workers’ rights to exercise freedom of association or collective bargaining may be violated were not identified in the reporting year. Also, there were no recorded strikes or mass lay-offs, despite the challenging period thrown up by the COVID-19 pandemic. SASB EM-MM-310a.2

3.7 HUMAN RIGHTS

HKEX Para 9, HKEX Para 10, GRI 103-1, GRI 103-2, GRI 103-3, GRI 102-16, ASI PS 9.1a

RUSAL's key underlying principles are responsible business conduct, respect for human rights, and adhering to ethical standards.

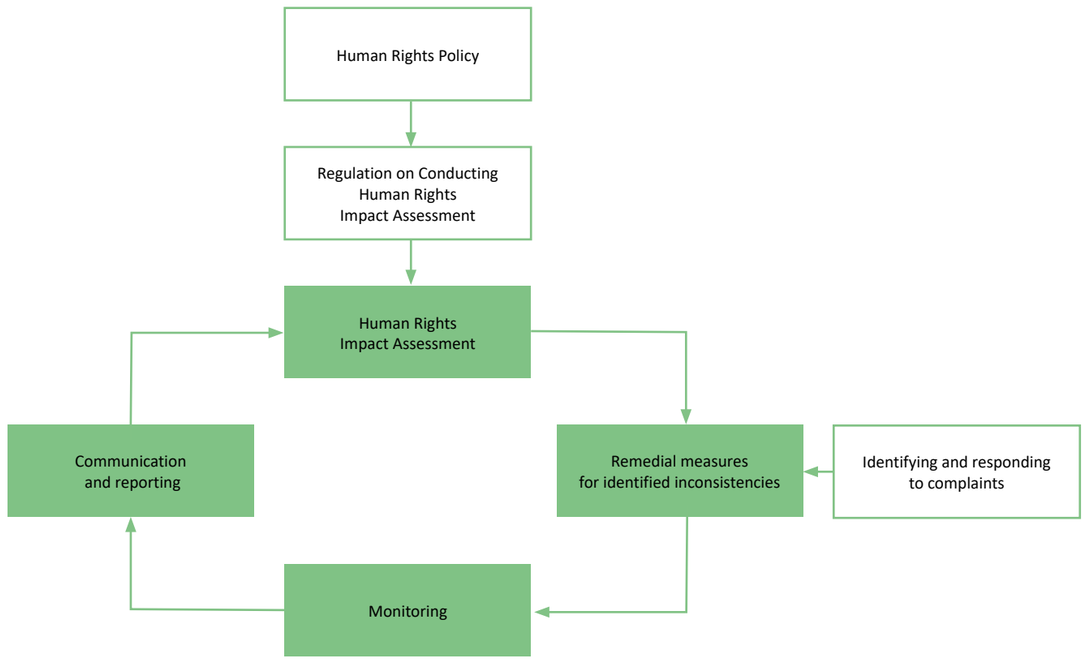
Approach to human rights management

In recent years the Company has paid great attention to elaborating effective policies and practices in the field of observing human rights. ASI standards have almost certainly been one of the factors that accelerated this process.

The heads of main functional areas are responsible for the observance of human rights in their daily activities.

The principles and provisions of RUSAL's Human Rights Policy form the basis of the Company's activities in the field of human rights protection. RUSAL conducts a comprehensive assessment of human rights compliance, based on the principles set forth in this policy. The evaluation results help the Company identify the main areas in need of improvement. In 2020 the Company approved the Regulation On Conducting a Human Rights Impact Assessment. This document allowed us to consolidate a unified approach to assessing impacts on human rights as a result of the activities of RUSAL enterprises.

Approach to human rights management



Human Rights Policy

ASI PS 9.1a

In 2018, the Board of Directors adopted the Human Rights Policy of the UC RUSAL Group of Companies. This enshrines unified approaches and requirements in the field of human rights and sets out the Company's commitment to comply with its provisions.

RUSAL, together with its subsidiaries, is committed to respecting human rights and consistently adheres to the highest international standards in this area, including:

- The Universal Declaration of Human Rights.
- The International Labour Organization's Fundamental Conventions.
- The United Nations (UN) Global Compact.
- The Guiding Principles on Business and Human Rights endorsed by the UN Human Rights Council.
- Organization for Economic Co-operation and Development (OECD) Guidelines for multinational enterprises.
- The UN Declaration on the Rights of Indigenous Peoples.
- The UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

Regulation on Conducting a Human Rights Impact Assessment

ASI PS 9.1b

As part of the comprehensive human rights assessment process, in 2020, we elaborated the Regulation on Conducting a Human Rights Impact Assessment for UC RUSAL enterprises. This document describes how human rights should be assessed. The HR Directorate is responsible for overseeing the implementation of this regulation.

A unified approach to assessing the human rights impact of UC RUSAL enterprises is based on:

- The UC RUSAL Human Rights Policy.
- The Guiding Principles on Business and Human Rights endorsed by the UN Human Rights Council.
- ASI Performance standard (ASI PS) requirements.

This document establishes an integrated and comprehensive approach to planning and taking measures to eliminate or mitigate negative impacts on human rights. The objectives of human rights impact assessments are as follows:

- defining the criteria for negative human rights impacts
- determining the significance of negative impacts on human rights
- determining measures to eliminate, mitigate, and minimise negative impacts on human rights (for high or medium negative impacts)
- studying the efficacy of the UC RUSAL Human Rights Policy, as well as any need for it to be revised

Annexes to the Regulation on Conducting a Human Rights Impact Assessment provide a form of human rights impact assessment as well as an example and instructions on how to complete it.

Assessments began in December 2020, hence no results have so far been forthcoming. In 2020, human rights training for staff was carried out in a reporting format. With the help of HR, the regulation was distributed in hard-copy form. All staff members were required to read the text of the document, and HR handles any questions that arise on a case-by-case basis.

In the reporting year, no cases of human rights violations were recorded, including violations of the rights of indigenous and minority peoples.

GRI 411-1, SASB EM-MM-210a.2, SASB EM-MM-210a.3, ASI PS 9.1c

Diversity and equal opportunities

HKEX Aspect B1, ASI PS 10.4

We embrace diversity within the composition of personnel at all RUSAL companies and enterprises. Respecting the right to equal opportunities and non-discrimination, we select and hire personnel solely on the basis of our own requirements vis-à-vis the qualifications, experience, and specific business qualities of candidates. The Company has not identified any cases of discrimination based on gender, nationality, age or disability.

GRI 406-1

Position on child and forced labour

GRI 408-1, GRI 409-1, HKEX Aspect B4, ASI PS 10.2a, 10.2b, 10.2c, 10.3a, 10.3b,10.3c, 10.3d, 10.3e, 10.3f

RUSAL strictly adheres to the ban on the use of child and forced labour and applies this ban at all its enterprises. This commitment is enshrined in our Code of Corporate Ethics, the Human Rights Policy, and the Business Partner Code.

The Directorate for Control, Internal Audit, and Business Coordination is responsible for carrying out control measures in this area. Employees of the directorate regularly conduct audits and internal audits. Since the establishment of the Company, there have been no cases of non-compliance with current legislation or regulations on the use of child and forced labour.HKEX KPI B4.1, HKEX KPI B4.2

In 2020, an updated version of the Regulations for managing contractors in the areas of labour protection and industrial, fire, and environmental safety was approved. Initially, this document covered issues related to occupational health and safety, with a focus on the environment, but now it is complemented by human rights issues. For example, verifying the minimum age of a contracting organisation's employees.

According to this the Regulations, the contracting organisation must notify the Company of any incidents. In turn, the customer/principal submits incident-related information to the Occupational Safety, Industrial Safety, and Environment Division of the Managing Company on reporting forms and in accordance with health, industrial, and fire safety reporting regulations. Violations, including those of human rights, must be recorded in a certificate attesting to a violation by a contractor of industrial, fire, environmental safety, or labour protection requirements.

3.8 PLANS FOR 2021 AND THE MIDTERM

The year 2020 was dedicated to the automation of HR processes and a transition to educational programmes on an online format. Despite this this being a particularly challenging period for the Russian economy, we managed to not only maintain social support for our employees at the same level, but also to launch many new projects in this area.

The Company’s main plans for 2021 in this area are to

- Assess employee knowledge of occupational safety, health, and environmental safety and create a related training programme.
- Create a programme for mid-level management at the School of Masters.
- Assess employee knowledge in the Department of Resource Protection function.
- Open an IT academy at IRSTU.
- Continue to enhance and modify the Regulation on Conducting a Human Rights Impact Assessment for RUSAL enterprises.
- Continue to certify businesses under the ASI standard.

04

ENVIRONMENTAL PROTECTION

$88.4 million

spent on environmental protection

92.6%

share of circulating and recycled water supply

500,000 hectares

of taiga protected by implementing fire safety measures

CONTRIBUTION TO UN SDGS

4.1 MANAGEMENT APPROACH

HKEX Para 13, GRI 103-1, GRI 103-2, GRI 103-3, HKEX Aspect A1, A2, A3, ASI PS 2.1, ASI PS 2.3, ASI PS 3.1, ASI PS 3.2, SASB EM-MM-160a.1, SASB EM-MM-150a.3

RUSAL does its utmost to conduct business responsibly, with a view to improving its environmental performance. We approach issues of environmental protection with due consideration for their social, economic, and technical implications.

The Company pays close attention to applicable regulatory requirements in the countries where it operates and takes an active approach towards organising activities with respect to legislation. In addition, our operations are regulated by internal codes, standards, and policies, which also set forth our obligations in relation to environmental protection, which are undertaken on a voluntary basis. RUSAL strives to constantly improve its compliance with international standards, adhere to sustainable development principles, and participate in corresponding initiatives.

RUSAL's environmental risks management is conducted in accordance with the RUSAL Risk Management Regulations and Guidelines for the Environmental Management System. The identification and analysis of environmental risks, as well as elaborating measures to mitigate them, are conducted at the level of the Company's facilities. All identified risks are consolidated at the Company level by the Environmental Regulation and Control Unit, together with the Directorate for Control, Internal Audit, and Business Coordination. These structures are also responsible for annually monitoring the dynamics of environmental risks.

Targets and strategic priorities

- Reduction of air pollutants emissions, including greenhouse gas emissions
- Creation of closed water cycle systems for main production processes at the plants
- Increase of share of recycled, utilized and safely stored wastes
- Replacement and recycled of electric equipment with polychlorinated biphenyls (PCB)
- Reclamation of disturbed soils and cooperation in preservation of biological diversity
- Establishment of corporate management structure to regulate environmental issues and risks

Who's in charge?

- The Health, Safety, and Environment Committee
- The Health, Safety, and Environment Department
- Environmental Regulation and Control Units

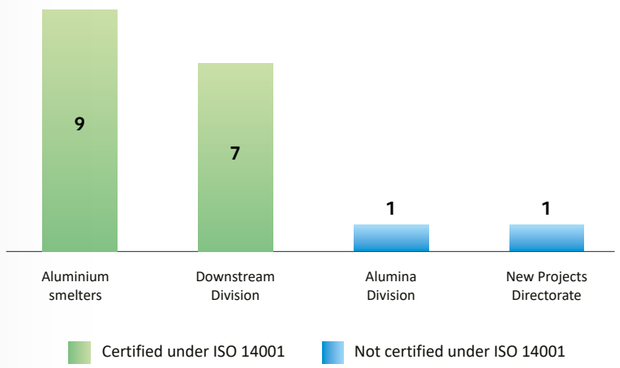
Which guidelines do we follow?

- The Environmental Policy
- The Environmental Management System
- The Code of Corporate Ethics

Strategic goals in the area of environmental protection:

- RUSAL production facilities attaining by 2025 air emission standards established by the laws of the countries where the Company operates.
- Protecting the Company's interests during the regulation and reduction of greenhouse gas emissions, and promoting low-carbon products.
- Establishing by 2025 closed-water supply systems for key production processes at the Company's production facilities.
- Ensuring the safe disposal, processing, and use of industrial waste, taking into account technical capabilities and market needs.
- By 2025, completely stop using equipment and exclude waste containing polychlorinated biphenyls (PCBs).
- Compliance with obligations to rehabilitate disturbed land.
- By 2025, certification under the ISO 14001 standard of management systems at all production facilities selling products on the market.
- Promoting the creation of an advanced legal and regulatory framework for the protection of the environment during the production of aluminium and alumina.

Compliance of enterprises supplying products to the market with ISO 14001, 2020[34]



Environmental management system

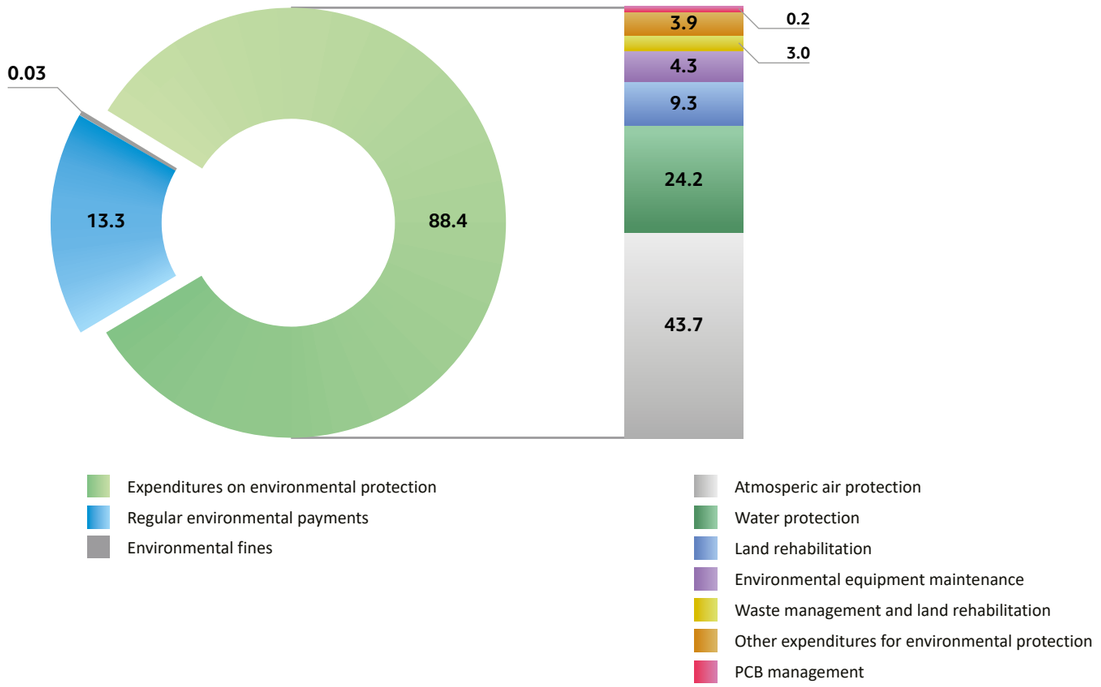
We ensure that we meet the highest standards of environmental management by confirming compliance with ISO 14001 on an annual basis. By the end of 2020, 16 production facilities were certified under this standard (excluding mothballed facilities). In the reporting period, Urals Foil and Powder metallurgy - Volgograd were certified for the first time. By 2025 we plan to gain certification for all production facilities that supply products to the market.

[34] Excluding mothballed facilities.

Expenditures on environmental protection

In 2020, RUSAL spent USD 88.4 million on environmental protection initiatives. Apart from that, the Company earmarked more than USD 13.3 million in environmental payments[35] in its countries of operation, including Russia, Ukraine, and Armenia. In the reporting period no significant cases of environmental non-compliance within the Company[36] were recorded. The total monetary value of fines was USD 34.2 thousand. In 2020, RUSAL did not participate in litigations related to violations of environmental legislation and was not subject to non-financial sanctions GRI 307-1, ASI PS 3.2

Environmental protection expenditures, regular environmental payments and fines, 2020, US million[37]



[35]Payments for negative impact on the environment.
[36]Hereinafter significant cases of non-compliance and significant fines are those with a value of over one million US dollars.
[37]Total payments and expenses may differ from the sum of the items due to rounding.

4.2 WATER RESOURCES

GRI 103-1, GRI 103-2, HKEX KPI A2.2, ASI PS 6.2, ASI PS 7.3

RUSAL adheres to best practices when managing water resources. We strive to reduce water withdrawal and discharges of wastewater, and implement initiatives that address the issue of pollution in water bodies. We also make efforts to increase water recycling and regularly conduct inspections of water supply facilities to prevent leakages and wastage. An assessment of the Company's impact on water resources is carried out annually, in accordance with the RUSAL Environmental Reporting Regulations. GRI 303-1

No significant water-related risks were recorded in 2020, and there were no issues in sourcing water that is suitable for the Company's production processes. ASI PS 7.3, HKEX KPI A2.4

The Company has operating units in Armenia and Italy, where water stress is rated as high[38]. Operations at Eurallumina (Italian unit) are currently suspended. In order to optimise the management of water resources at ARMENAL (Armenian unit), RUSAL implements a number of initiatives, with the main one being improving circulating water supply systems. Water withdrawal and consumption of RUSAL ARMENAL account for 0.3% and 0.3% of total fresh water withdrawal and consumption respectively. SASB EM-MM-140a.1

Water withdrawal, consumption, and discharge of RUSAL ARMENAL

GRI 303-3, 303-4, 303-5

	Indicator	Volume, thousand cubic metres
Withdrawal	Surface water sources	448.7
	Public network	104.4
Consumption		297.0
incl. fresh water used for production needs		104.4
Discharge	Treated	20.1

[38]According to WRI Aqueduct Water Risk Atlas.

Circulating water system improvements at RUSAL ARMENAL

In 2020, within the framework of the technical re-equipment program, ARMENAL completed the transition to a closed water circulation system. As a result, the water consumption of the enterprise decreased by about 90%. In addition, the system operation protects production from external interruptions in water supply.

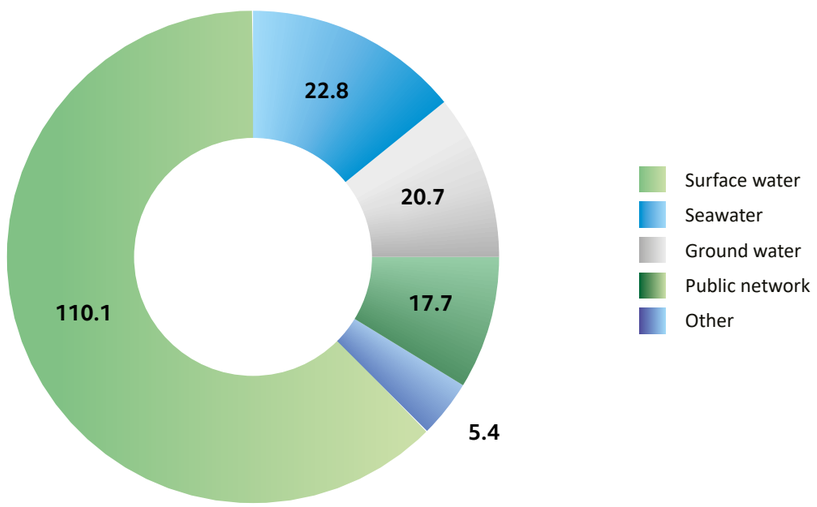
Thanks to the commissioning of two new fan cooling towers, all rolling mills and compression facilities of the enterprise are now provided with water resources. Earlier, ARMENAL introduced similar equipment for cooling smelting furnaces and direct rolling mills.

RUSAL's water withdrawal and discharges do not exceed limits set by the law in the country of presence. Interactions with water bodies are regulated with due consideration for their properties and chemical compositions of discharges. GRI 303-2, HKEX KPI A3.1 In 2020, there were no significant cases of non-compliance in this area. SASB EM-MM-140a.2
In the reporting period, the structure of water withdrawal remained unchanged. Seawater was used only by KUBAL for cooling purposes in foundry operations and air purification. 72% of fresh water was drawn from surface water sources.

Fresh water consumption reached 113.6 million cubic metres[39]. In 2020, due to the specifics of used technologies, the bulk of freshwater resources were consumed by Alumina Division facilities (almost 82%), while the Aluminium Division accounted for almost 17%. HKEX KPI A2.2, GRI 303-5, SASB EM-MM-140a.1

Water withdrawal[40], 2020, million cubic metres

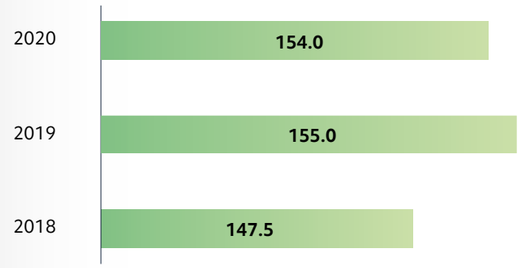
GRI 303-3, ASI PS 7.1, 7.3



[39]At Russian enterprises water consumption is calculated in accordance with Form 2-TP (water management) as a summation of the following water use codes: "102" (production needs), "8" (other needs). Divisions located in other countries apply other similar calculation methodologies that correspond to the national specifics of accounting
[40]Hereinafter there are no data for the Bauxite Company of Guyana, the Bauxite Company of Kindia (Guinea), and the Friguia Bauxite and Alumina Complex, which do not have water metering systems (there are no applicable local regulations for the system of monitoring and measuring water resources).

Total freshwater withdrawal, 2018-2020, million cubic metres

GRI 303-3, ASI PS 7.3, SASB EM-MM-140a.1



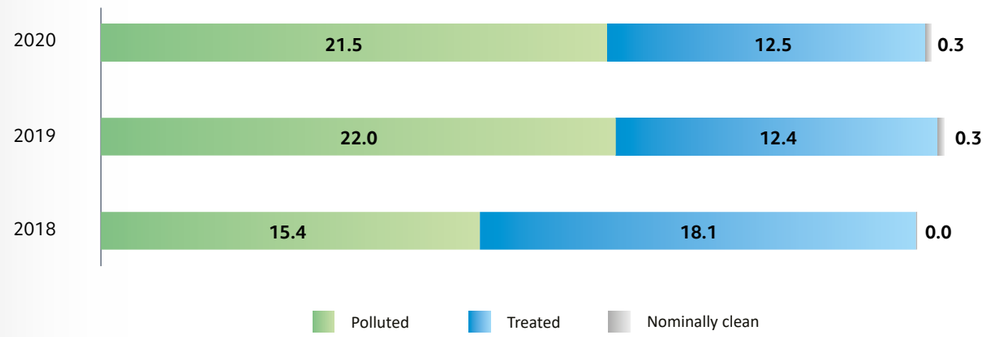
In the reporting period, the intensity of freshwater use at aluminium smelters stood at 5.2 cubic metres per tonne of aluminium produced, 3.4 cubic metres of which were water used directly for production needs. As for the entire aluminium production chain, the intensity of freshwater consumption stood at 30.3 cubic metres per tonne of aluminium. 27.6 cubic metres per tonne of aluminium were used directly for production needs HKEX KPI A2.2

RUSAL not only endeavours to reduce its water withdrawal, but also makes efforts to introduce repeated and circulating water supply systems. One of the Company's current main priorities is improving its closed-water supply system at production assets. In 2020, the share of circulating and recycled water supply stood at 92.6%. GRI 303-3

Industrial wastewater discharges into surface water declined from 34.7 million cubic metres in 2019 to 34.2 million cubic metres in 2020. ASI PS 6.2

Industrial discharges[41], 2020, million cubic metres

GRI 303-4, ASI PS 6.2



The breakthrough of the sludge pipeline in Silicon

On October 7, 2020, there was a break in the sludge pipeline and a spill of the process fluid with contamination of the soil and the Vinokurny stream. We quickly carried out emergency response operations to eliminate negative consequences. Damage to the water object and soil in the amount of 24 thousand dollars (1.8 million rubles) was reimbursed on a voluntary basis.

[41]The total volume of discharged industrial water in 2020 stood at 34.2 million cubic metres; the difference in this figure is due to rounding. The data exclude quarry, mine, drainage, storm, and other waters (123.7 million cubic metres) and seawater (22.8 million cubic metres), which are not used in the production process.

4.3 WASTE MANAGEMENT

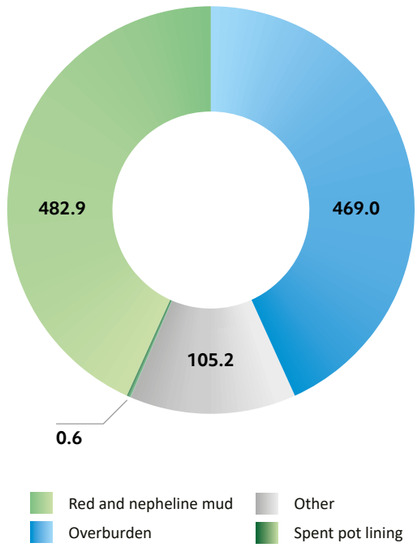
GRI 103-1, GRI 103-2, ASI PS 6.4, ASI PS 6.5

RUSAL, as a major metals producer, annually generates a significant amount of waste. This results in a need to implement a sustainable approach to waste management, which includes increasing the recycling and reuse of waste, as well as ensuring safe storage and disposal facilities. In order to meet the requirements of international waste management standards, the Company strives to improve its waste recycling, and develop new technologies that allow resources from waste to be produced, which can then either be used internally or sold to other organisations. We also strictly control the quality and safety of our disposal facilities and organise trainings on waste management for employees.

In the reporting period, RUSAL's total accumulation of waste stood at 1058.9 million tonnes, 1057.8 million tonnes of which were non-hazardous waste[42] that included primarily red and nepheline mud (45.6%) and overburden rocks (44.3%). These are classified as waste under Russian law. Also, the accumulation of spent carbon pot linings increased slightly compared to 2019, to 644.2 thousand tonnes.

Accumulation of non-hazardous waste as at 31 December 2020, million tonnes[43]

GRI MM3



Generated waste, excluding overburden rocks, rose by 14% compared to 2019 and reached 16.1 million tonnes in 2020. The share of this waste recycled by the Company was 13.5%. Trends in the generation, disposal, and recycling of waste without overburden rocks are provided in Appendix 2, Key sustainability data (see page 200 of the Report). GRI 306-2, ASI PS 6.5

In 2020, the volume of generated hazardous and non-hazardous waste (excluding overburden rocks) was 0.3 and 15.9 million tonnes, respectively. HKEX KPI A1.3, A1.4, ASI PS 6.5 The increase in the volume of non-hazardous waste by 16% from 13.7 to 15.9 million tonnes compared to 2019 was due to the launch of alumina production in Fria. The decrease in the generation of hazardous waste by 15% from 307.1 to 262.4 thousand tonnes was mainly due to the replacement of "wet" GCS with "dry" ones at the Company's aluminium smelters, as well as a decrease in the production of gas cleaning sludge (IrkAZ, BrAZ).

RUSAL transports hazardous waste in compliance with applicable law and using the services of officially recognised entities. In 2020, the Company did not perform any cross-border movements of hazardous waste. GRI 306-4

RUSAL facilities use a small amount of packaging material, chiefly in the Downstream Division. HKEX KPI A2.5

Until the Company no longer uses equipment containing polychlorinated biphenyl (PCB), which is one of its stated goals, it will face the issue of PCB waste disposal. In 2020, RUSAL recycled 9.5 tonnes of PCB containing waste.

In the reporting period, there were no significant spills or risks associated with spills. GRI 306-3, ASI PS 6.4

[42]Russian enterprises consider wastes of I-III hazard classes as hazardous, and non-hazardous are of IV-V hazard classes. Enterprises located in other countries define waste types according to national classifications.
[43]Hereinafter in the section "Environmental Protection" - "Waste Management" - data on deposits located in Guyana (Guyana Bauxite Company) and Guinea (Kindia and Dian Dian Bauxite Company), which may be material for the consolidated indicators of generation and circulation overburden are excluded due to the lack of measurement systems and relevant requirements in national legislation.

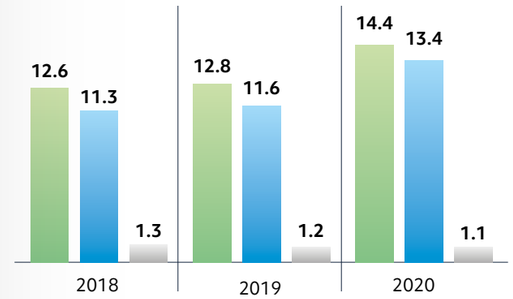
Specific waste

In RUSAL's production processes, specific types of waste such as red and nepheline mud from alumina production and spent carbon pot linings are generated.

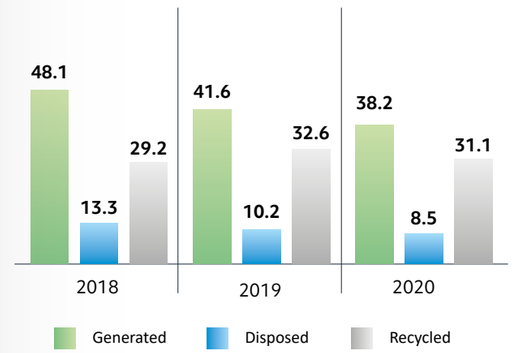
Red and nepheline mud are classified as non-hazardous waste. In the reporting period, 14.4 million tonnes of it was generated, with a recycling rate of 7.4%. Spent carbon pot linings are considered the second most important type of industrial waste generated in our operations. In 2020, 38.2 thousand tonnes of this waste were generated, which was an 8.3% decline on the 2019 level. 81.3% of spent carbon pot linings produced were recycled. GRI 306-2, ASI PS 6.5

Red and nepheline mud handling, million tonnes

SASB EM-MM-150a.1



Spent pot lining handling, thousand tonnes



The volume of residuals produced depends on a number of factors, including the volume of production and the composition of processed nephelines and bauxites. In cooperation with R&D organisations, we develop and apply new methods to reduce specific waste from our alumina refining and aluminium smelting operations.

The Company is constantly making efforts to find new cost-efficient methods to reclaim or reuse waste. Some of the waste generated by RUSAL can also be used by other production companies as raw materials, which allows us to dispose of a part of it.

RUSAL's plants at the Krasnoyarsk and Novokuznetsk aluminium smelters reduce the volume of sludge generated by removing sulphates from gas treatment facilities. We also recycle spent carbon and refractory pot linings and extract scandium oxide from bauxite residue and nepheline mud, producing its concentrate via using proprietary technologies at the Urals Aluminium Smelter.

Year after year RUSAL strives to increase the volume of waste recycled or sold. Our largest producer of aluminium alloys, the Sayanogorsk Aluminium Smelter, already disposes of 90% of waste in a sustainable way. HKEX KPI A1.6

Use of large-capacity secondary products of alumina production

The Company's enterprises use the sludge themselves and transfer it to other companies for use. The most prospective areas include construction and production of building materials, as this allows to use a significant amount of sludge and reduce its transfer to waste. In recent years, the Company has considered more than ten projects for the extraction of individual components from the sludge, some of which have reached the pilot stages.

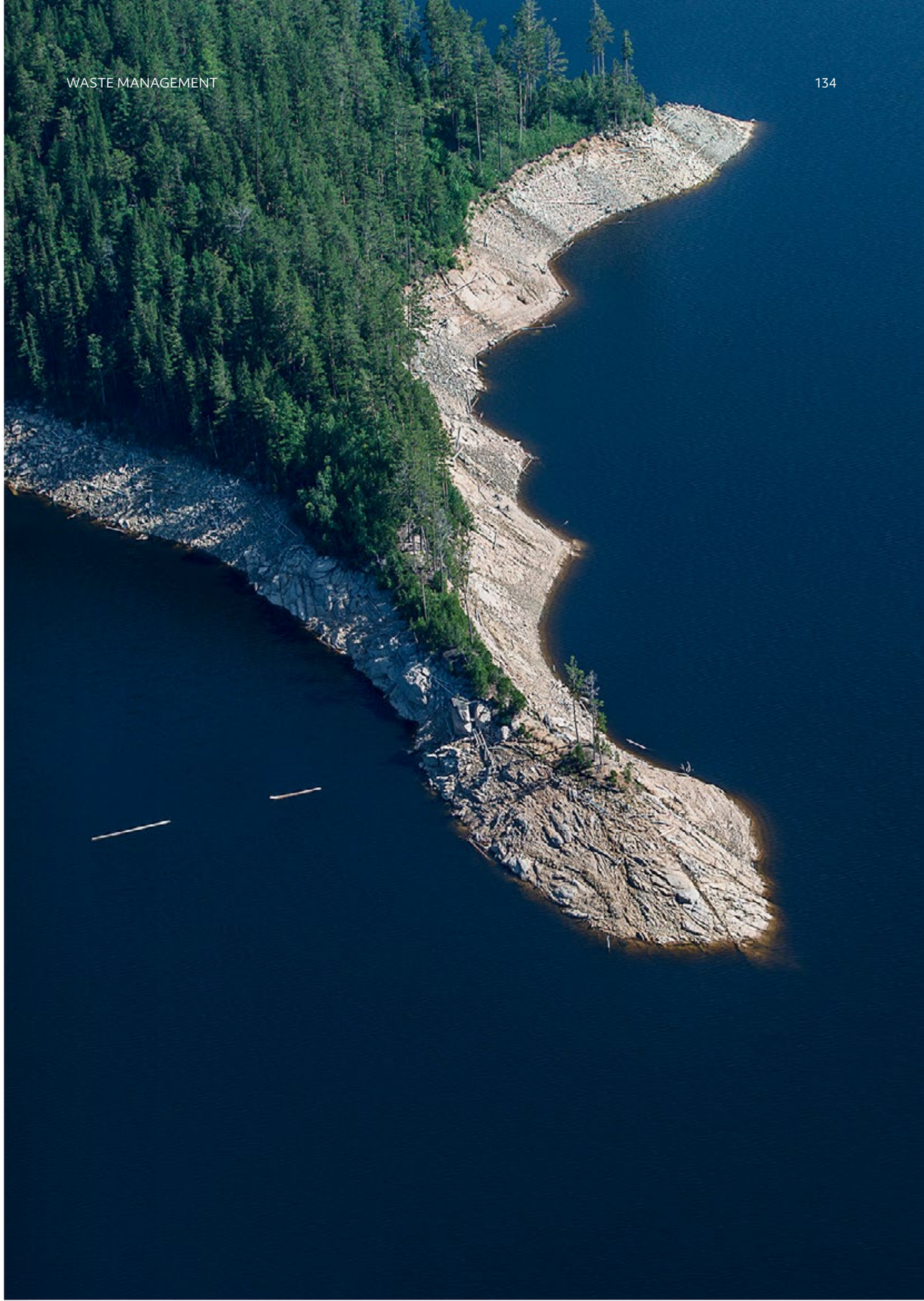
The Aughinish plant is actively involved in many European projects aimed at developing technologies for the use of by-products. In 2020, Aughinish continued its participation in the RECOVER project, launched in 2016 to develop a new technology for reusing bauxite residues for the production of inorganic polymers. In 2020, the construction of a modular pilot plant was completed. Despite the limitations caused by COVID-19, Aughinish was able to organize an online event for the pilot production of sludge products as part of this project.

Aughinish is also involved in the large EU-funded RemovAL research project. RemovAL suggests that the interaction of production industries is necessary to achieve a viable and meaningful use of sludge. Together with industry partners, Aughinish is developing a pilot project to reduce the soda content in the sludge. In 2021, it is planned to obtain pilot results of the use of sludge together with fly ash in road construction.

In November 2020, the third EU research project, ReActiv, was launched with the participation of AAL, which is coordinated by the largest cement producer in Europe, LafargeHoclim. ReActiv technologies are aimed at changing the features of sludge to produce new cement products with a low carbon footprint.

During 2020, our enterprises produced 14.4 million tons of sludge (in the Russian Federation – 9.5 million tons), and used 1.07 million tons of sludge (in the Russian Federation – 909.6 thousand tons). More than a third of this mass was used at the Company's enterprises, the rest was sold or transferred to other organizations.

Research is being actively conducted around the world to improve secondary products' efficiency of use and Rusal participates in such projects and is open to new cooperation.



4.4 USE OF HYDRAULIC STRUCTURES

GRI 103-1, GRI 103-2, GRI 103-3, HKEX KPI B2.3

During extraction and production processes the Company generates various kinds of waste that needs to be disposed of in a responsible way. For this purpose, among other waste disposal facilities RUSAL owns 28 residue storage areas and five ash-disposal areas which are hydraulic structures.
SASB EM-MM-150a.3

Being fully aware of the need to pay due attention to the safety of hydraulic structures, we do our best to prevent accidents that might harm the environment. In order to ensure the safe operation of RUSAL's hydraulic structures, the Company tracks their condition throughout their life cycle, based on respective monitoring from its specialists and regular audits by relevant supervisory authorities. These and other independent audits at our foreign assets recorded no adverse effects on biosystems from hydraulic structures in 2020. Hence we are in compliance with the Russian Federal Law on the Safety of Hydrotechnical Structures, as well all applicable internal regulations.

One measure implemented by RUSAL to ensure safety is informing colleagues about the rules of dealing with emergencies related to hydraulic structures. All employees working with these structures undergo compulsory trainings aimed at developing the required level of professional and safety management skills.

Safety life cycle of hydraulic structures

Design	Construction	Operation	Conservation
• A design is developed by a specialist organisation, which performs all necessary surveys and calculations. • State appraisal and approval of project documentation.	• Building permits are obtained from state bodies. • Construction is conducted by a specialist organisation. • Construction design supervision is performed by the project developer. • Construction is monitored by a state construction supervision body.	• Regular safety monitoring (at least once every three-to-five years). • Daily and periodic inspections, in addition to instrumentation monitoring by the state of hydraulic structures. • Hydraulic safety declarations. • Annual internal technical and environmental audits, with the identification of potential risks. • Risk mitigation.	• Developing a disposal/ mothballing project, as well as a restoration project. • Decommissioning residue storage areas and ash-disposal activities, supervised by state environmental appraisal and government compliance monitoring and oversight authorities.

4.5 AIR EMISSIONS

GRI 103-1, GRI 103-2, GRI 103-3, SASB EM-MM-120a.

Reducing air pollution is one of RUSAL's main priorities in the field of environmental protection, and is enshrined in the Company's Environmental Policy. Hence we implement a number of measures aimed at lowering air emissions and monitoring air quality:
HKEX KPI A1.5

- Monitoring atmospheric air conditions through automatic monitoring systems and mobile laboratories.
- Using modern gas treatment facilities, including units engineered by RUSAL's design and scientific departments.
- Conducting R&D activities and implementing the results.
- Applying the Eco-Soderberg technology (at the Krasnoyarsk, Bratsk, Irkutsk, and Novokuznetsk aluminium smelters).
- Using best available technologies to reduce air emissions.
- Upgrading aluminium smelters.

Using advanced gas treatment facilities RUSAL captures and reuses air emissions, including up to 99.8% of hydrogen fluoride and solid fluorides. This allows us to reduce the volume of these gases emitted and to mitigate the impact of our production facilities on the atmosphere.

In 2020, the volume of pollutants emitted by our operations totalled 352.4 thousand tonnes (excluding GHG emissions). Low-hazard carbon monoxide (CO) accounted for the bulk of this figure: 238.7 thousand tonnes, or 67.7% of total emissions; the remaining 113.7 thousand tonnes.

Information on greenhouse gases produced can be found in the section Climate strategy (page 148).

Emissions of pollutants into the atmosphere[44] [45], 2018-2020, thousand tonnes

GRI 305-7, HKEX KPI A1.1, ASI PS 6.1, SASB EM-MM-120a.1

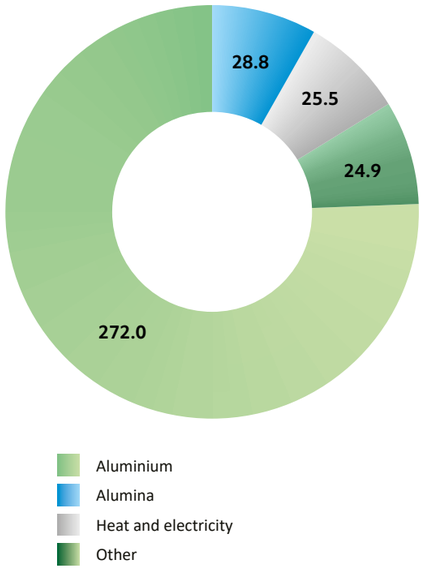
Pollutant	2018	2019	2020
Carbon Monoxide (CO)	223.2	232.2	238.7
PM (except Fsolid, tarry substances, B(a)P)	37.6	37.7	36.3
Sulphur dioxide (SO_2)	36.4	42.0	40.1
Sum of nitric oxides as nitrogen dioxide (NO_2)	19.6	19.5	20.1
Other emissions	8.4	8.4	9.3
Total fluoride (gaseous and solid fluoride)	7.0	6.6	6.4
Volatile organic compounds (VOCs)	1.6	1.6	1.5
Benzo(a)pyrene	0.0040	0.0039	0.0041

[44]The Company uses methodologies for calculating emissions established by Russian legislation.
[45]Hereinafter, in the section "Environmental Protection" - "Emissions into the atmosphere - data on the bauxite-alumina complex" Fria "(Guinea), which may be material for the consolidated indicators, are excluded due to the lack of measurement systems and relevant requirements in national legislation.

The bulk of air emissions is generated during the production of aluminium, which is RUSAL's main activity. In the reporting period, reduction units at aluminium facilities accounted for 81.5% of the Company's total emissions, excluding greenhouse gases.

A number of emission reduction initiatives are planned by RUSAL. Some of these are long term in nature, but are expected to bring about tangible progress in the near future (2022-2024).

Air emissions by type of production (excluding greenhouse gases), 2020, thousand tonnes



Introduction of Ecological Soderberg

The introduction of the EcoSøderberg technology, developed by the Engineering and Technology Centre of RUSAL, is one of the Company's key modernisation projects. According to experts, EcoSøderberg is one of the most effective modern environmental technologies in the aluminium industry, as it allows emissions to be significantly reduced, particularly those of tarry materials. The technology provides improved anode gas afterburning and allows the automated monitoring of various parts of pots, to ensure that they are air-tight.

The technology is currently being rolled out at the Bratsk, Irkutsk, Novokuznetsk, and Volgograd Aluminium Smelters. 58% of RUSAL's reduction cells, which are planned to be modernised using EcoSøderberg by 2025, have already been modified. In 2020, RUSAL completed the conversion of the Krasnoyarsk Aluminium Smelter (KrAZ) to EcoSøderberg: 1,954 reduction cells were modified. Current investments in the project stand at USD74 million. Since 2011, the KrAZ's total emissions have dropped by 13.7%, and emissions of hydrofluoride have fallen by 30%.

RUSAL innovation awarded for eco-efficiency

In 2020, RUSAL's dry gas cleaning project received a Vernadsky National Environmental Award in the category Innovative Eco-efficient Technologies in Industry and Energy.

At the competition, the Company presented a technology created with the joint efforts of specialists from various RUSAL divisions (SibVAMI, RUSAL ITC, BrAZ, NkAZ, and IrkAZ): a dry gas cleaning system (DGCS) for waste gases in aluminium production, which allows emissions of hydrogen fluoride and solid fluorides to be reduced by over 99.5%. The introduction of the system at production units also provides significant savings in capital costs. A project to develop in-house DGCS technologies was initiated by RUSAL in 2017. By 2025, it is planned to install more than 20 modern DGCSs at the Company's smelters.

Emissions at Krasnoyarsk Aluminium Smelter

In 2020, public attention fell on atmospheric emissions at the Krasnoyarsk Aluminium Smelter (KrAZ).

In the sanitary protection zone of KrAZ there are around 130 city enterprises "Taking into account that the most significant excess of the maximum permissible concentration (MPC) of benzopyrene was recorded in the direction of the wind entering KrAZ, but not coming out, it is reasonable to conclude that KrAZ was not responsible for exceeding the indicators of benzopyrene into the air. More research needs to be done to ascertain the actual source of these emissions.

In the sanitary protection zone of KrAZ there are around 130 city enterprises, and, given that six MPCs (maximum permissible concentration) entered the KrAZ, and 3.4 MPCs came out, it is reasonable to conclude that KrAZ was not responsible for exceeding the indicators of benzopyrene into the air. More research needs to be done to ascertain the actual source of these emissions.

In November, laboratory studies from the Federal Service for Supervision of Natural Resources detected an excess of emission limits for hydrogen chloride by 2.2 times and hydrogen fluoride (3.5 times). However, the accredited KrAZ laboratory did not find that permissible limits had been exceeded, and the Company initiated an assessment by a third party, an independent arbitration laboratory. The final measurements also showed no excess emissions. At the same time, the technology for determining the concentration of pollutants used by representatives from the Federal Service was checked, and a violation of prescribed measurement methods was identified. In addition, within the same inspection, it was reported that the enterprise was emitting benzene. However, the KrAZ operates in accordance with the standards approved by the Federal Service for Supervision of Natural Resources, which prescribe maximum permissible emissions. These cover only pitch sublimates, which may contain benzene.

> *In 2020 RUSAL announced plans to completely convert the reduction area at the KrAZ to a new type of raw material – eco-friendly pitch, by 2024. This initiative will result in no less than a 60% drop in its benzopyrene emissions.*

Nevertheless, we acknowledge that the 2019 environmental control report was flawed, which was also the subject of discussion within the inspection. We do our best to ensure that our environmental reporting is as complete as possible and in compliance with all respective regulatory requirements. Hence we took steps to identify the reasons for the lack of information on some of the monitoring and assessments of environmental performance in the reporting, in order to prevent such situations from occurring in the future.

In 2021, KrAZ became an object of attention for environmental services, due to an alleged release of hydrochloride in early February. The Company is paying close attention to this situation and will provide detailed information in the 2021 Sustainability Report.

4.6 LAND RESOURCES

GRI 103-1, GRI 103-2

Land recultivation after the completion of operating activities and the rehabilitation of land affected by waste dumping is an important aspect of RUSAL's approach to environmental sustainability. Based on an internal policy[46], we operate in accordance with:

- Uniform corporate approaches and requirements for the restoration of disturbed land.
- Unified rules to assess obligations to decommission facilities and rehabilitate the environment where assets are situated.

Land restoration takes place after the completion of mining activities and is required when land has been disturbed as a result of waste disposal. The company ensures the availability of financial guarantees Company to meet claims / obligations in terms of land reclamation. In the reporting period, the area of the land disturbed by the Company totalled 1,563.1hectares. GRI MM1

In 2020 the disposal of overburden rocks reached 56.1 million tonnes, or 98.5% of total overburden rocks generated by RUSAL (57 million tonnes). The bulk of this amount was generated by the Alumina Division (over 99%). GRI MM3

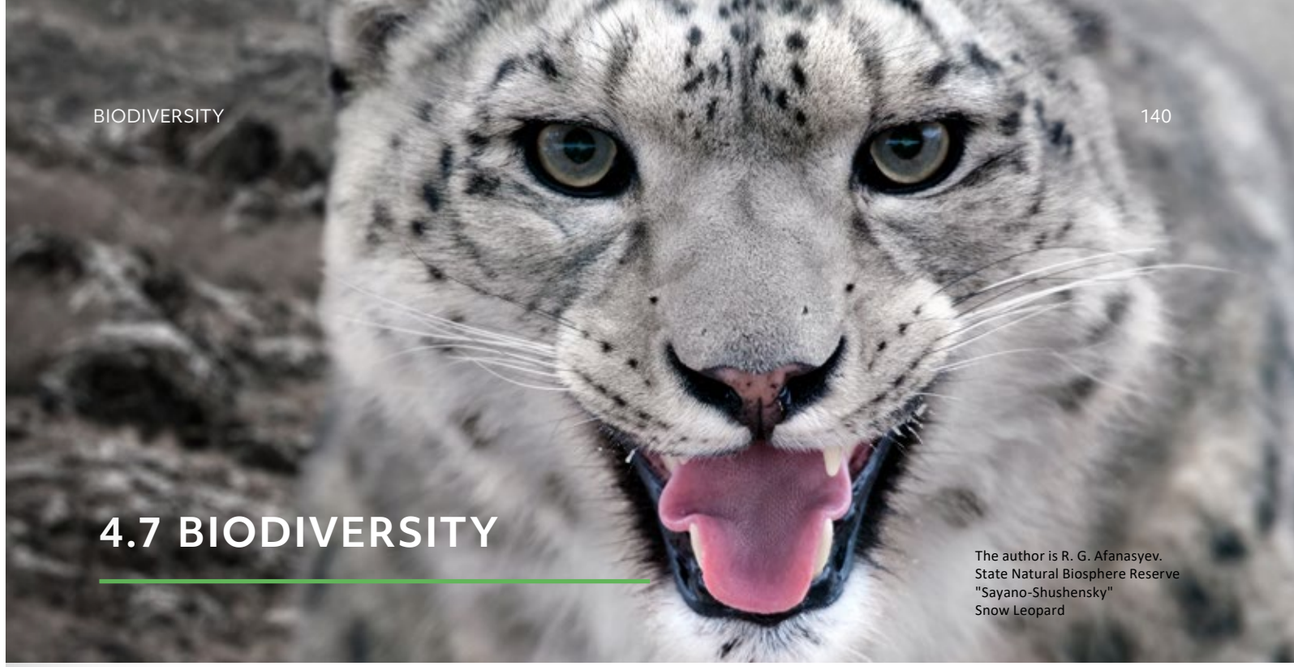
Total volume of disturbed and rehabilitated land, 2018–2020, hectares GRI MM1

	2018	2019	2020
Total area of disturbed, but not yet rehabilitated land as at 1 January of the reporting year	2,499	5,129	6,742
Total area of disturbed land during the reporting year	205	686	1,563
Total area of rehabilitated land during the reporting year	53	19	48
Total area of disturbed, but not yet rehabilitated land as at 31 December of the reporting year	2,815	5,796	8,257

The reclamation coefficient – the ratio of restored land to disturbed land – stood at 0.03 in 2020. The total amount of rehabilitated land was 48.3 hectares, including reclamation measures implemented at the Sayanogorsk Aluminium Smelter (reclamation of the first map of spent pot lining temporary storage: 0.9 hectares), Windalco (exhausted mine area: 16.1 hectares) and Compagnie des Bauxites de Kindia (exhausted mine area: 31.4 hectares). The excess of disturbed land over rehabilitated land is mainly due to development activities at the Dian (Guinea) and Timan Bauxite (Russia) mines.

RUSAL's total spending on decommissioning facilities and land restoration stood at USD 9.3 million in 2020. RUSAL has no reclamation debt.

[46]The RUSAL Operational Policy Decommissioning Assets and Restoring the Environment: Requirements for Organising Work and Assessing Obligations internal policy.



4.7 BIODIVERSITY

The author is R. G. Afanasyev.
State Natural Biosphere Reserve "Sayano-Shushensky"
Snow Leopard

GRI 103-1, GRI 103-2, GRI 103-3, 304-1, 304-2, ASI PS 8.2, ASI PS 8.4, SASB EM-MM-160a.1

The conservation of biological diversity (hereinafter, biodiversity) is a priority area within UC RUSAL's environmental activities. The Company's aim is to be an active participant in international processes related to sustainable development and to embrace and implement international standards, including the implementation of global best practices in the field of biodiversity conservation. GRI 103-2

RUSAL is an active participant in working groups on biodiversity conservation and ecosystem services, including the ASI Biodiversity and Ecosystem Services working group and the Working Group on Entrepreneurship and Conservation of Biological Diversity of the Russian Ministry of Natural Resources. During the reporting period the Company also participated in a round table on the role of business in the implementation of the federal project The Conservation of Biological Diversity and the Development of Eco-tourism, organised by the Public Chamber of the Russian Federation. GRI 103-2

In its biodiversity related activities, UC RUSAL is guided by the legislation of the countries where the Company operates, the Company's Environmental Policy, the Regulation on Conducting Primary Risk Assessments and the Significance of the Impact on Biodiversity for Existing Enterprises, as well as other regulations and documents.

RUSAL implements a comprehensive and integrated approach based on an assessment of the risks of potential impacts on biological diversity in the regions where the Company operates, which makes it possible to identify focus areas, minimise and mitigate impacts from own production activities, and to rationally manage issues related to biodiversity conservation. GRI 103-2

The Company's production facilities are located in various regions across the globe. However, the majority of the Group's enterprises are located in Siberia – a unique natural region. RUSAL does not operate on the territories of UNESCO World Heritage Sites. GRI 304-1, ASI PS 8.4

In order to minimise potential impacts on the biodiversity of the regions where the Company operates, UC RUSAL implements a number of projects and activities aimed at reducing negative impacts on the environment: including reducing emissions into the atmosphere, and implementing projects to introduce closed water circulation systems, and land reclamation projects (see Sections 4.2, 4.3, 4.5, 4.6).

The Company assesses the risks of potential impacts on biodiversity as a result of its activities (use of water resources, emissions and discharges, introduction of alien species, the impact of physical factors), taking into account the results of monitoring, the nature of the impacts, the location of enterprises relative to World Heritage Sites, protected areas and other territories. If significant risks to biodiversity are identified, the Company takes appropriate management measures. In 2020, no damage to ecosystems was recorded as a result of the impact.

GRI 304-2 Adhering to the principles of sustainable development, the Company has for many years instigated a number of voluntary initiatives aimed at maintaining and preserving biological diversity in the regions where it operates, in cooperation with protected areas. GRI 103-2

Environmental monitoring project

For many years, in cooperation with the Khakassky Regional Division of the Russian Geographical Society, the Company has been implementing an integrated environmental monitoring project, which encompasses monitoring biodiversity in specially protected natural areas of the unique Altai-Sayan ecoregion: the Shushensky Bor National Park, the Khakassky Nature Reserve, the Sayano-Shushensky Nature Reserve, the Pozarym Nature reserve, and other nature reserves and monuments. The aim of the project is to perform a modern assessment of the condition of ecosystems in specially protected natural areas.

In order to implement an integrated approach within the framework of this project, experts assess and monitor various objects and elements of the environment, combining a number of areas: organising a system for monitoring populations of rare and endangered species of flora and fauna on the territory of the Koibal Steppe; monitoring biological assessments of environmental health in the Shushensky District; and assessments of environmental pollution in protected areas of the Altai-Sayan ecoregion.

An important aspect of the project is the long-term study and conservation of rare animal species in the transboundary protected areas of the Altai-Sayan ecoregion. The subjects of monitoring are various species of plants, birds, as well as large species of mammals that live in high-altitude fauna. This work allows us to assess the condition of populations of rare and endangered animal species and to elaborate recommendations for their conservation and restoration. GRI 304-4, SASB EM-MM-160a.1

Also in 2020, studies of the condition of cedar forests in the Altai-Sayan ecoregion continued.

Another project area is the study of recreational impacts on territories adjacent to protected areas and contained within the recreational zones of protected areas. Since unique natural and historic and cultural complexes concentrated in protected areas and adjacent territories create prerequisites for the development of touristic and recreational activities, one unwelcome effect is human impacts on the natural environment. The monitoring work performed by the Company makes it possible to assess the condition of these territories, make recommendations aimed at the rational management of the development of eco-tourism, and reduce negative impacts on natural and historic and cultural landscapes and objects in order to preserve them for future generations.

Promoting the conservation of the snow leopard and woodland reindeer

GRI 304-4, SASB EM-MM-160a.1

The snow leopard, or ounce, is a rare species of large cat that lives in harsh high-altitude conditions. It is listed in the Red List of the International Union for Conservation of Nature (IUCN).

As part of the project, in order to promote the study and conservation of rare animal species in the transboundary territories of protected areas in the Altai-Sayan ecoregion, RUSAL carries out long-term monitoring of the snow leopard population and habitats, in conjunction with the scientific community of the region.

Constant monitoring of snow leopards' movements within reserves, both with the help of satellite collars and camera traps (whose network is regularly adjusted), has made it possible to determine the number and spatial structure of the predator group and successfully coordinate operational and protective measures, which in turn makes it possible to more effectively safeguard the species' habitats.

The observations allowed us to evaluate the effectiveness of relocating the snow leopard for the purposes of restoring its population – this method was being tried out in Russia for the first time. The method proved to be successful, and is recommended to restore other snow leopard groups with low or declining numbers.

The results of a multi-year analysis indicate that poaching is the main risk factor and reason behind the decline in the snow leopard population.

The forest reindeer is a rare subspecies of reindeer that has existed since the Pleistocene epoch, and it is listed in the Red Book of the Russian Federation, as well as a number of regional red books.

In order to promote the conservation of the Altai-Sayan forest reindeer population, UC RUSAL monitors its number and habitat, in collaboration with researchers from the protected areas. The animals have a low defensive response, which makes them easy prey for poachers. Annual expeditions to the high-mountain areas of reserves enable us to determine suitable territories for the forest reindeer, track population dynamics, assess the condition of this protected species, and to elaborate recommendations for its conservation. The snow leopard and the woodland reindeer, in accordance with the status of CR, are recognized as critically endangered (CR - Critically Endangered).

The results of the Environmental Monitoring project, which is carried out in close cooperation with a number of protected areas, serve as a source of information for the assessment, analysis, planning, and organisation of the nature reserve fund. Based on the results of data obtained during the project, a number of recommendations relating to the rational management of territories and the organisation of security measures were elaborated and made known in the protected areas.

Aughinish Alumina Ltd. Biodiversity in remediated bauxite residue

At Aughinish the establishment of a sustained vegetation cover is the preferred method for post-closure management of the residue storage area to rehabilitate the residue, improve its aesthetic impacts, and develop an area for nature conservation.

Areas of remediated bauxite residue (BR) at Aughinish are prime examples of this best practice. A remediation, habitat creation, and revegetation approach is now in use following the success of trials developed over 20 years ago.

Aughinish incorporates sand, gypsum, and compost with BR to create a layer of soil. The BR soil is then seeded with a range of Irish grass, which attracts native birds, mammals, and invertebrates. The success of this remediated grassland is seen in the nutrient profile of herbage samples. Also, many other plant species are growing naturally, and hence further improving the vegetative cover and biodiversity.

Krasnoyarsk Stolby Nature Reserve

In cooperation with the Krasnoyarsk Pillars National Park, RUSAL has for many years been working to monitor anthropogenic impacts on protected areas.

Initially, the monitoring concerned a study of the snow cover of the national park as the main indicator of environmental pollution by industrial and other emissions of the Krasnoyarsk agglomeration. In recent years, the monitoring programme has been significantly expanded, and now covers the study of not only snow cover, but also such ecosystem components as soil, vegetation, water, and sediment.

Vym River

Since 2000, in cooperation with the Institute of Biology of the Komi Scientific Centre of the Ural Branch of the Russian Academy of Sciences, the monitoring of the water biological resources of the Vym River has been carried out.

The purpose of the monitoring is to observe and assess the condition of aquatic biological resources and the quality of surface waters (watercourses), which ensure the well-being of fish populations throughout their life cycle. The results of annual monitoring in this area indicated that the main factor limiting the number of fish and their reproduction is overfishing and poaching.

Based on the monitoring, recommendations were elaborated related to the most effective measures to be deployed to conserve fish stocks in the Vym River basin.

Pine plantations in forest-steppe zones

In 2020 the Company continued with its long-term monitoring and study of the sustainability of green spaces in the city of Krasnoyarsk and suburban areas, which was carried out at ecosystem, population, organisational, and tissue levels. In general, the research results show a trend towards the restoration of forests, a reduction in anthropogenic impacts on forest-steppe phytocenoses, and the adaptation of forest communities. Our partner in this study is the Institute of Forest of the Siberian Branch of the Russian Academy of Sciences.

The results of ongoing biodiversity monitoring allow us to assess the current condition of the environment and, if necessary, adjust environmental activities in order to reduce related negative impacts. No significant risks to biodiversity from the activities of the Company's enterprises were identified, based on the results of the monitoring.

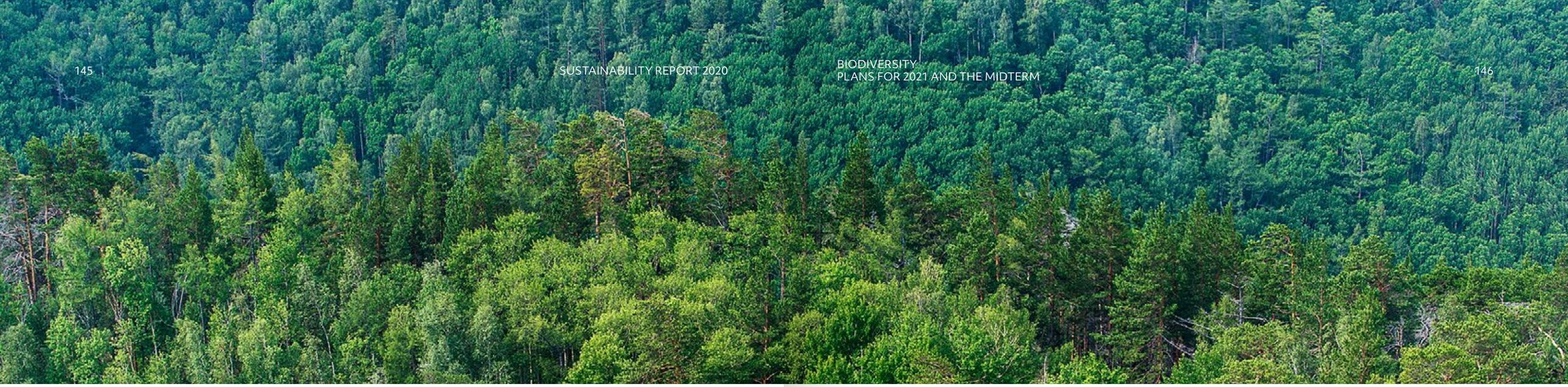
The research materials accumulated during the monitoring form a unique and regularly updated scientific database on the natural territories of the regions where the Company operates, and are later used for the more effective conservation of biodiversity and the planning, organisation, and rational management of specially protected natural territories.

Artificial reproduction of aquatic biological resources

In order to reproduce aquatic biological resources in 2020, UC RUSAL enterprises released around 4,000 sturgeon juveniles into the Selenga River, which is part of the Lake Baikal basin, and is listed in the Red Book of the Russian Federation. In addition, about 42,000 grayling fry were released into the Yenisei River.

The approaches and projects implemented by the Company have for a long time demonstrated their effectiveness and yielded positive results. The implementation of such measures has a number of advantages and contributes to the attainment of the Sustainable Development Goal (SDG) 15 Conservation of Terrestrial Ecosystems, and also represents a contribution from UC RUSAL to the federal project Conservation of Biological Diversity and Developing Ecological Tourism within the Russian national project Ecology.

UC RUSAL is fully aware that projects to conserve biodiversity and ecosystems require a long-term approach, and that the implementation of such initiatives is necessary to ensure wide-ranging environmental results. In view of the successful experience of interacting and working in protected areas, as well as the various positive effects of project implementations, UC RUSAL plans to expand its activities in this area.



Forest restoration project

To restore forests in the regions where the Company operates, the Company has established the Under the Green Wing initiative. This project is aimed at protecting Siberian forests and is being implemented in the Krasnoyarsk Territory and Irkutsk Region. This is the first-ever large-scale forest conservation project in Russia. Since the launch of this project, over one million trees have been planted.

At the same time, RUSAL not only plants new trees, but also finances their care and fire protection for five years. The project is supervised by specialists with long-term experience in Siberian forestry.

In 2020 the Company invested great efforts in the area of planting new trees. At the same time, RUSAL provided aviation protection for over 500 thousand hectares of taiga in the north of the Krasnoyarsk Territory. Work in the Lower Yenisei forest area was carried out by the regional Forest Fire Centre, with the help of an air patrol system (the route was almost 450 kilometres). Two all-terrain vehicles were bought to provide access to potential fire sites; also, fire-fighting equipment was supplied. In addition, the Company financed the major renovation of a building housing personnel and equipment.

During the reporting period, RUSAL also attracted volunteers to its forest restoration project. During the Green Wave campaign, our volunteers planted 800 trees.

It would be incorrect to view UC RUSAL's efforts in the areas of reforestation and air forest protection in the Irkutsk Region and Krasnoyarsk Territory as solely being solutions aimed at combating climate change. The ongoing projects are aimed at protecting, restoring, and managing forest ecosystems in a sustainable manner, which contributes to the environmental well-being of local communities, as well as, indirectly, their standard of living.

Assessment of ecosystem services

ASI PS 8.1

The implementation of forest projects focused on the synergy of development, climate, and nature has led to a number of positive environmental, social, and economic benefits.

The calculation of socio-economic effects, with the involvement of an expert organisation, demonstrated that the value of the natural capital of forest land plots in the Irkutsk Region and Krasnoyarsk Territory will rise by USD 11,570 thousand (around RUB 835,000 thousand). At the same time, 82.5% of the ecosystem effect will be accounted for by regulating ecosystem services (functions related to maintaining natural processes / the absorption of carbon dioxide by forests and the preservation of forest ecosystems as a habitat for plant and animal species); 13.4% for cultural ecosystem services (recreation, scientific research, education and training, etc.) and 4.1% for providing ecosystem services (increasing the productivity of forest areas: harvesting wood, mushrooms, berries, medicinal plants, hunting resources).

During the assessment, it was determined that forests have a significant positive impact on the regulation of the water regime, that is, ensuring the water content of rivers, and preventing soil erosion and preserving land, including in the territory of the ecological zone of atmospheric influence of the Baikal Natural Territory and on the site of the Big Steppe state nature reserve, since reforestation has been carried out partially in these territories.

Despite such projects requiring a long-term perspective, the Company is convinced that the interdependence between economic well-being and the environment opens up huge opportunities. The implementation of such activities offers a number of advantages, including ensuring integrated environmental outcomes within ecosystem services, promoting human health and well-being, and contributing to the attainment of several UN Sustainable Development Goals (SDGs) simultaneously: SDG 8 Decent work and economic growth, SDG 13 Combating climate change, SDG 15

Preserving terrestrial ecosystems.
The Company's reforestation and aviation conservation activities contribute to international and national projects, such as the Trillion Trees campaign, which aims to restore forests and combat climate change as a natural solution; the National Ecology project; and the federal Forest Conservation project.

UC RUSAL's investments in reforestation and air forest protection in the Irkutsk Region and Krasnoyarsk Territory make a significant contribution to combating natural and climate crises, increase the sustainability of the development of these regions, and create jobs (during the implementation of the measures, 25 jobs were created in the field of aviation protection that meet the criteria of international OECD recommendations and the ILO standard).

4.8 PLANS FOR 2021 AND THE MIDTERM

The Company has set the following goals for 2021:

- continued implementation of environmental protection measures aimed at:

1. reducing emissions and discharges of pollutants
2. ensuring the safe disposal of waste

05

CLIMATE CHANGE AND ENERGY

↓11%

direct specific greenhouse gas emissions[47] compared to 2014 level

↓4%[48]

average specific electricity consumption compared to 2011

A-

CDP score

CONTRIBUTION TO UN SDGS

[47]At aluminium smelters.
[48]At aluminium smelters.

5.1 OUR APPROACH TO TCFD DISCLOSURE

HKEX п.13, GRI 103-1, GRI 103-2, GRI 103-3

In recent years RUSAL has laid strong foundations for developing a robust climate change strategy. Our strategy is based on the following pillars:

- energy efficiency
- low-carbon aluminium production
- strengthening partnerships to be able to better address the issue of climate change

In 2020, we committed to disclosing climate change-related data in line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The goal of this disclosure is to identify and assess the risks and opportunities we face as a result of climate change and use the disclosed data as a management tool for decision making process.

In response to its effective implementation of its strategy to reduce emissions RUSAL got upgrade to the "A-" rating following its annual assessment by the international organization Carbon Disclosure Project (CDP). Also in 2020, RUSAL received the highest CDP Supplier Engagement rating - the engagement of companies to reduce CO_2 emissions throughout the supply chain.CDP uses a specific methodology to assess disclosures related to climate change.

The mechanism for assessing the effectiveness of the management approach to climate change are represented by internal and external audits and data verification, the use of data measurement and monitoring systems, participation in external ratings (CDP), benchmarking of competitors' indicators and collecting customer feedback in the form of filling out surveys.

Targets and strategic priorities

- RUSAL's strategic climate change goals up to 2025 (see the table in "Climate strategy" section, p. 158);
- 35% reduction in absolute reductions by 2030
- Carbon net-zero level by 2050

Who's in charge?

- The Health, Safety, and Environment Committee
- The audit committee
- The Health, Safety, and Environment Department (The GHG Emissions Control unit)

Which guidelines do we follow?

- The RUSAL Methodology for determining direct greenhouse gas emissions in primary aluminium production (2019)
- The RUSAL Methodology for determining direct greenhouse gas emissions in alumina production (2019)
- The RUSAL methodological guidelines on quantitatively estimating greenhouse gas emissions from the production of electric power supplied from the Russian energy system (2019)

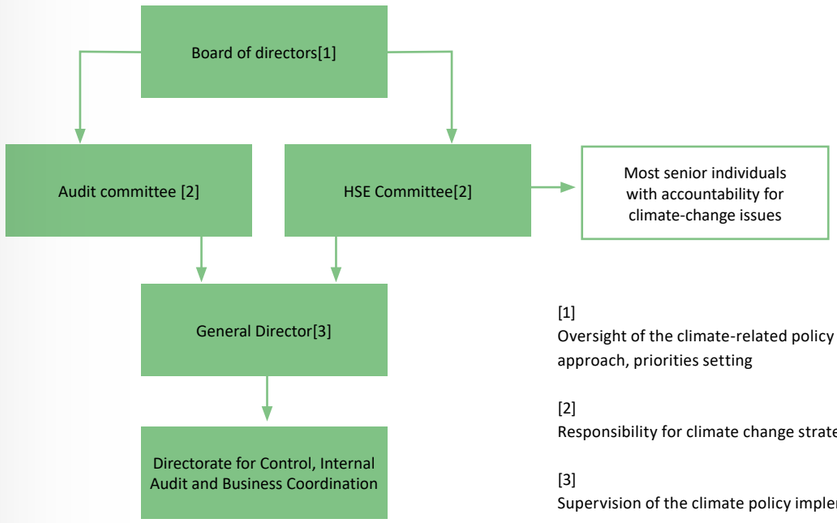
Governance

RUSAL fully recognises the importance of climate change-related risks and considers them in decision-making processes. The general management of RUSAL's activities is carried out by the Board of Directors, whose responsibilities and competence include ensuring the sustainable development of the Company and development of its strategy and goals, including climate change related issues. The responsibilities of the Board of Directors also include assessing and determining the risks and opportunities of the Company in the field of climate change. In 2017, Company`s top-level management approved the climate change strategic goals.

The Health, Safety, and Environmental (HSE) and Audit committees under the Board of Directors perform preliminary consideration and study of climate change issues and risk management and provide recommendations to the Board of Directors on decision-making on these issues. In particular, the HSE Committee oversees environmental and climate-related risk management, as well as the effective implementation of health and safety programmes and risk management, including relating to the supply chain. The Audit Committee's duties include overseeing climate-related risk management and internal controls. The Audit Committee and Board of Directors review the risk profile and results on a quarterly and yearly basis.

The delivery of the climate change strategy is implemented by the General Director. The role of the General Director is mainly to oversee the implementation of the climate policy determined by the Board of Directors, in the areas: production and the supply chain, financial management and corporate finance, and sales and marketing. If necessary,some issues related to greenhouse gas (GHG) emissions are considered by the General Director in person, including the status on attaining strategic goals, revisions to strategic goals, launching and tracking the status of key projects aimed at reducing GHG emissions, and making recommendations to the Board on climate-related issues for consideration (please see Climate change governance structure).

Climate change governance



[1]
Oversight of the climate-related policy determination, management approach, priorities setting

[2]
Responsibility for climate change strategy, risk management and control

[3]
Supervision of the climate policy implementation

Strategy

GRI 201-2, HKEX KPI A4.1

We believe that climate change will significantly affect economies around the world, and therefore plan to integrate pertinent climate change mitigation measures into our business model. For instance, transitional risks concerning carbon intensity regulations is the most important at the given. The key component of our climate strategy is low-carbon aluminium production. To meet the demand for low-carbon aluminium and build strong partnerships to combat climate change, we are continually striving to make our business model more sustainable.

In order to integrate climate risks into the risk management system, we will analyse climate conditions and change scenarios in our regions of operation: Russia and the CIS, Europe, West Africa, and Latin America (see Fig. 42, Risk assessment method). The next our step will be to look at a scenarios of 1.5°C, 2°C and 4°C above pre-industrial levels and to analyse the impacts of global warming under these scenarios, and to identify relevant risks according to TCFD framework. The following steps will be to analyse climate risks, assess their materiality, and prioritise them. Finally, mitigation measures will be elaborated and applied, based on a prioritisation of risks.

Risk assessment method

Transition-related risks

Transition-related risks were considered based on the following sub-groups: policy and legal, technology, market and reputation (see table Transition-related risks assessed).

Transition-related risks assessed

Risk sub-category	Risk factor	Risk	Impact area	Opportunity
Policy and legal	Introduction of mandatory reporting on GHG emissions	• Costs related to preparing and verifying GHG reporting costs • Capital expenditure on transitioning to low-emission production • Reduced product margins • Decrease in investment appeal	• Adaptation and mitigation activities • Investment in research and development	• Improved emission monitoring • Decarbonisation of production • Leader in reducing GHG in the sector • Increased investment • Access to new markets
Technology	High carbon-intensive production processes			
Market	Better performance from competitors vis-à-vis reducing GHG emissions			
Reputation	Negative perception of RUSAL by investors, independent shareholders			

We see a high impact on financial performance from the technological transition to low-emission energy production and, consequently, on aluminium production. To control this risk, we are working on various GHG reduction activities. Our priority is ensuring electricity production from renewable energy sources. Our goal is to reduce direct emissions intensity from the electrolysis process by 15%, average specific energy consumption to 7%, and purchase at least 95% of electricity from low-carbon sources of energy generation. Our R&D departments are working on introducing emissions reduction technologies in aluminium electrolysis and gas cleaning processes. For example, inert anode technology in electrolysis is an innovative solution that will allow direct GHG emissions from the production process to be reduced, by producing oxygen as a by-product instead of carbon dioxide.

RUSAL regularly monitors relevant regulations and participates in working group discussions to develop a coherent policy to mitigate the business risks posed by the transition to a low-carbon economy. In 2017, the ALLOW low-carbon aluminium production method was introduced, which in the future helped to maintain a leading position in the green aluminium market and to prepare for the introduction of the Carbon Border Adjustment Mechanism (CBAM) by the European Parliament. And we currently continue to do our best to reduce the carbon footprint of our products.

Physical risks

We assess physical risks on the time horizon over several decades.

Extreme weather events such as heavy rainfall, heat waves, and cold waves damage infrastructure worldwide. To identify acute physical risks we assess the likelihood of severe events, such as precipitation and flooding anomalies, and excess heat and cold.

Chronic risks that are pertinent to the Company's activities include increases in annual temperature, precipitation, and a rise in global sea levels (please see Physical risks assesses table).

Physical risks assessed

Risk category	Sub-category	Risk factor	Risk	Impact area	Opportunity
Physical	**Acute**	• Likelihood of precipitation anomalies and flooding • Likelihood of temperature anomalies (excess heat) • Likelihood of temperature anomalies (excess cold)	• Shutdown of production • Environmental pollution • Potential damage to production facilities • Damage to transport infrastructure • Interruptions to supply and shipment scheduled • Decline in productivity	• Operations (including various types of operations and locations of facilities) • Supply chain • Adaptation and mitigation activities	• Operations supervision enhancement • Uninterrupted supplies • Integrity of the environment • Water consumption optimisation • Tailing integrity enhanced control
	Chronic	• Rise in average annual temperatures • Increase in average annual precipitation • Rise in global sea levels	• Threat to employee life and health • Decline in productivity • Additional consumption of fuel and energy resources • Damage to transport and production infrastructure • Food supply interruption • Damage to production facilities • Shutdown of production		

Acute risks

The likelihood of precipitation and flooding anomalies is relevant for the regions where the RUSAL has alumina production and underground mining operations. The materialisation of this risk could result in dam overflows at tailings storage facilities, which will trigger a shutdown of production and contaminate the environment with chemical substances contained in red mud.

Heat waves can lead to a deficit of the water resources required to maintain production and a risk of equipment shutdowns owing to operating in hazardous temperature conditions.

Interruptions are possible to supplies and shipments due to frost. A fall in the air temperature could also have an adverse impact on employees productivity and health.

Chronic risks

A rise in average annual temperatures in all the regions where we operate could result in additional expenses on fuel and energy resources required to cool production premises, a decline in productivity, and risks to employee life and health.

An increase in average annual precipitations is characteristic of all RUSAL regions of operation. This could increase the moisture of the soil and air humidity, which in turn could lead to a risk of corrosion. If this risk materialises, tailings storage facilities could malfunction and production will be suspended, with a potential adverse impact on the Company's results.

A global sea level rise could interrupt operations in the coastal regions, and lead to destructive erosion processes, wetland flooding, aquifer and agricultural soil contamination with salts.

To manage physical risks, RUSAL constantly monitors operational activities and the supply chain in accordance with occupational health, safety, and environment compliance. To respond to the physical risks that may potentially damage the Company's operations and supply chain, we are elaborating a climate-change risk mitigation strategy, and the first step is a qualitative physical risks register.

Thanks to constant operational monitoring and HSE compliance, reducing our carbon footprint, and related policy implementation monitoring, our current climate risks strategy is proving to be resilient and effective.

Risk management

Climate change risk management is carried out as part of the overall risk management process of the Company. Within the framework of the Risk Management Policy adopted by the Company, risks are assessed by determining the likelihood of risk and its impact, including the probable damage. The combination of these factors makes it possible to rank risks: the most critical risks are ascertained and priorities are determined. Risk assessment is conducted at least once every three months.

The risk management system is an ongoing process at all management levels, and is geared towards building and disseminating knowledge about the risks faced by the Company. The Audit Committee and Board of Directors review the risk profile, including climate-related risks, on a quarterly and yearly basis. In case of a significant risk materialising or threatening to materialise, respective managers are duly and promptly informed.

To stimulate and ensure a reduction in greenhouse gases emissions KPIs are set for management roles. KPIs include the annual setting of goals, assessing results, and monetary rewards.

Metrics and targets

In order to assess climate-related risks and opportunities and factor them into investment decisions and business operations, we use an internal carbon price of USD 20/tonne CO_2e. We evaluate the potential impact of GHG emissions on the financial and economic models of projects and overall economic performance.

Targets

- Reduction of direct specific emissions intensity comparing to 2014; and
- Reduction of average specific energy consumption on aluminium plants comparing with 2011.

RUSAL restoration of Siberian forests

The restoration of forests in Siberia is one of RUSAL's major projects in GHG emission depletion by sinks. Most of the Company's aluminium smelters located in this region.

Through forest projects the Company demonstrates its commitment to:

- Contributing to the principles of sustainable development, including reducing negative impacts on the environment and promoting biodiversity conservation in the regions where the Company operates.
- Reducing GHG emissions in the carbon balance of the Russian Federation, by boosting the potential for CO_2 absorption.
- Creating carbon-neutral products.

Tree planting: The Green Million project

Green Million was the first voluntary GHG absorption initiative in Russia, and forms part of a global reforestation campaign involving climate campaigners, NGOs, and state and private companies from around the globe. Similar initiatives are supported by dozens of global organisations: from the Plant-for-the-Planet Children's Initiative with its Trillion Tree Campaign supported by UNEP, to The Bonn Challenge, a global effort supported by the German government to restore 350 million hectares of land by 2030.

Under the initiative, 112,000 trees were planted on an area of 28 hectares of land as part of the Company's climate strategy. The project includes forest maintenance activities to facilitate biosystem growth and subsequent carbon absorption.

In 2021 we are planning to involve the Institute of Global Climate and Ecology in calculating the absorption of CO2 from the atmosphere. The calculation performed in 2020 demonstrated that the 2019 implementation of this initiative offset 440 thousand tonnes of CO2e emissions. The results of the project for 2019 are recorded in the National Report of the Russian Federation on the Inventory of Anthropogenic Emissions from Sources and Removals by Sinks of Greenhouse Gases Not Regulated by the Montreal Protocol for 1990 – 2019.

5.2 CLIMATE STRATEGY

GRI 103-1, GRI 103-2, GRI 103-3

Net-zero ambition

The ambition of the En+ Group, RUSAL's parent company, is to become carbon net zero by 2050, in line with the Paris Agreement, with an intermediate target to reduce absolute greenhouse gas emissions by 35% by 2030. This net-zero ambition sets the highest decarbonisation bar in one of the most energy-intensive industries.

Science-based targets (SBT)

In 2019, En+ Group committed to the science-based targets mechanism. By the end of 2021, En+ Group/RUSAL will have formulated a plan to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. Achieving our targets will require significant work across the business, substantial investment in major scientific advances (such as our pioneering inert anode technology) and critical industrial process improvements.

Greenhouse gas emissions reduction programme

A reduction in RUSAL's GHG emissions came as a result of numerous energy efficiency and energy saving projects and modernisation initiatives directly related to a decline in raw materials consumption (including fuel) and using the best available technologies (BAT) and innovations (for more information, please see the section Innovations, page 53).

This cutting-edge decarbonisation technology is now moving into an industrial and commercial phase, enabling the production of aluminium with the lowest carbon footprint possible. This gives a 99.5% at-smelter reduction of GHG emissions, as well as an 87% full-scope reduction in comparison to current industry averages. This technology eliminates carbon emissions from the smelting process by replacing carbon anodes with inert anodes, which emit oxygen.

RUSAL climate strategy 2020 performance

RUSAL strategic climate change goals 2020 and results overview

HKEX KPI B7.2, ASI 3.1, HKEX A2.3, SASB EM-MM-110a.2

Despite the current market turbulence and challenging times the world economy faces as a result of the COVID-19 pandemic, we remain committed to our strategic climate change goals, which form an integral part of our corporate strategy. We continue to manufacture ALLOW aluminium with a low-carbon footprint and stay focused on developing innovative solutions to further reduce greenhouse gas emissions. RUSAL has programmes in place aimed to Achieve the Strategic Goal to Reduce Direct Specific Greenhouse Gas Emissions by 15% and by 10% as compared to 2014 level in existing aluminium and alumina smelters accordingly. Within the framework of these programs, activities are planned, mainly geared towards improving quality, reducing costs, and resolving technological issues. We have brought together all these activities, quantified them in terms of the GHG reduction effect, and monitor them each year, while at the same time seeking new activities that will help us achieve our goals.

RUSAL's strategic climate change goals up to 2025

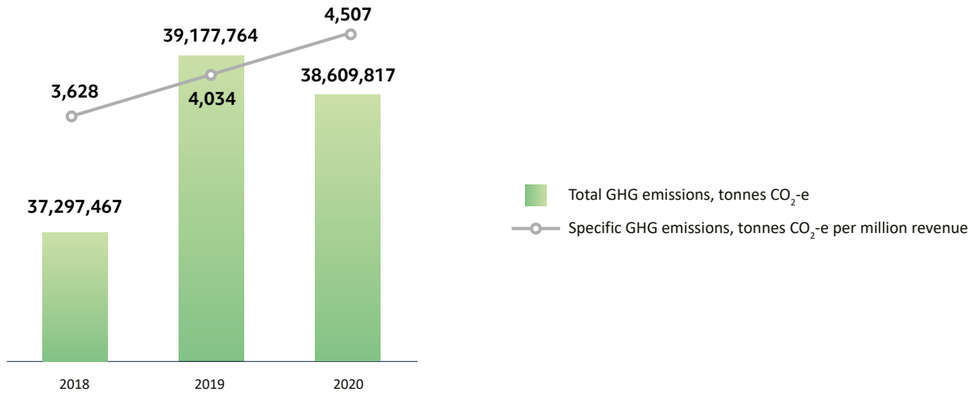
	Goal	Results in 2020
1	Purchase at least 95% of electricity from hydroelectric power plants and other types of carbon-free power generation for aluminium smelters. The Company achieved the goal ahead of schedule.	In 2020 the energy mix at RUSAL aluminium smelters was: • hydropower: 98.5% • nuclear: 0.02% • wind: 0.6% • fossil fuels: 0.9%
2	Reduce direct specific GHG emissions by 15% in existing aluminium smelters vs. the 2014 level.	In 2020, the reduction in specific GHG emissions stood at 11 % compared to the 2014 level.
3	Reduce direct specific GHG emissions by 10% vs. the 2014 level in existing alumina smelters.	In 2020, the reduction in specific GHG emissions stood at 2.4 % compared to the 2014 level.
4	Reduce average specific electric power consumption by aluminium smelters by 7% vs. the 2011 level.	In 2020, the reduction of specific electric power consumption by aluminium smelters stood at 4% compared to the 2011 level.
5	Achieve an average of specific direct and indirect GHG emissions by a reduction of no more than 2.7 tonnes of CO_2 equivalent per tonne of aluminium.	The goal was achieved in 2017. In 2020, the value stood at 2.2 tonnes of CO_2 equivalent per tonne of aluminium.
6	Use an internal carbon price when making strategic and investment decisions, starting in 2017.	Since 2017, the Company has been applying an internal carbon price in the process of making strategic and investment decisions.
7	Support Russian and international initiatives and associations advocating actions to prevent climate change and backing carbon prices, provided they are aligned with the Company's strategic goals.	The Company actively participates in a number of climate initiatives. For more information, see the International and national initiatives and projects section, page 25.

In 2020, over 90% of RUSAL's aluminium was produced using carbon-free power, since the electricity is purchased under direct supply contracts from carbon-free generators (HPPs and NPPs). The remaining part of the electricity supply, purchased on the wholesale market, also contains electricity from carbon-free sources. This is determined on the basis of a physical method, which is based on ATS OJSC data related to the balance of electricity production and consumption in a specific node of the power system. The structure of the source of electricity is independently verified annually. In 2020 it was verified by a third-party auditor, TUV Austria.
We see a decline in specific GHG emissions, both in scopes 1, 2 and 3: in 2020 the value reached 4503.7 tonnes of CO2-e per million USD.

The specific GHG indicator (Scope 1&2) per employee[49] reached 536 tonnes of CO_2-e. ASI PS 5.3

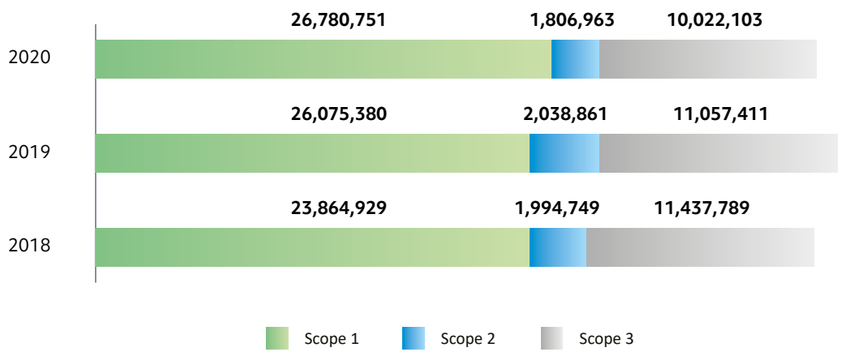
RUSAL's total (scope 1, 2 & 3[50]) and specific GHG emissions, 2018–2020, t CO_2-e[51]

HKEX KPI A1.1, A1.2, ASI PS 5.1, GRI 305-4, TCFD



Direct (scope 1) and indirect (scopes 2 and 3) GHG emissions, 2018–2020, t CO_2-e

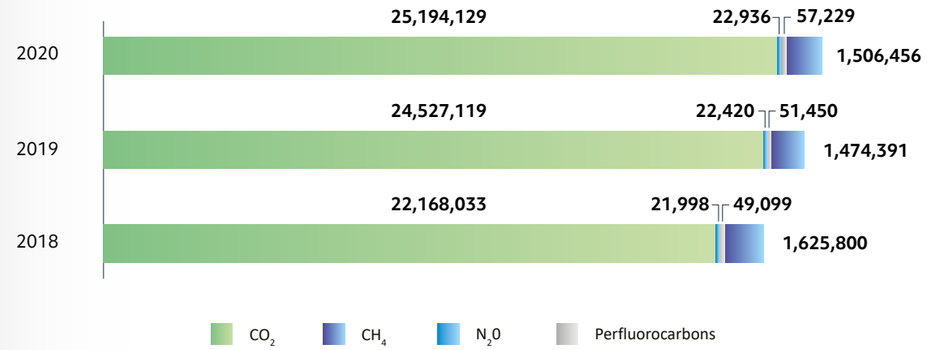
GRI 305-1, 305-2, 305-3, TCFD, SASB EM-MM-110a.1



[49]The indicator is calculated based on average employee headcount.
[50]All calculations are in accordance with the GHG Greenhouse Gas Protocol. Scope 3 energy indirect emissions include emissions from fuels and raw materials purchased by the company.
[51]Hereinafter, in the "Climate Strategy" section, the data on greenhouse gas emissions do not include the volume of emissions at the enterprises of the Downstream Division, which amounted to 148.3 thousand tons of CO_2-eq in 2020 (Scope 1 and Scope 2).

GHG emissions by components, 2018–2020 t CO_2-e

ASI PS 5.2



In 2020, RUSAL showed an increase in CO_2 emissions, due to an increase in production and inclusion in the perimeter of the Pikalevo Alumina Refinery. HKEx KPI A1.5, ASI PS 5.2

RUSAL aluminium with low-carbon footprint

RUSAL is paving the way in aluminium production and setting the highest environmental goals in the industry. Currently, Siberian hydropower plants provide over 95 % of our total electricity needs. To our customers this means that they can supply products to clients with the confidence that they are getting low-carbon aluminium with the best-in-class sustainability performance. Hydro-powered primary aluminium generates four-to-five times less GHG emissions than coal-powered – which is key to meeting growing demand.

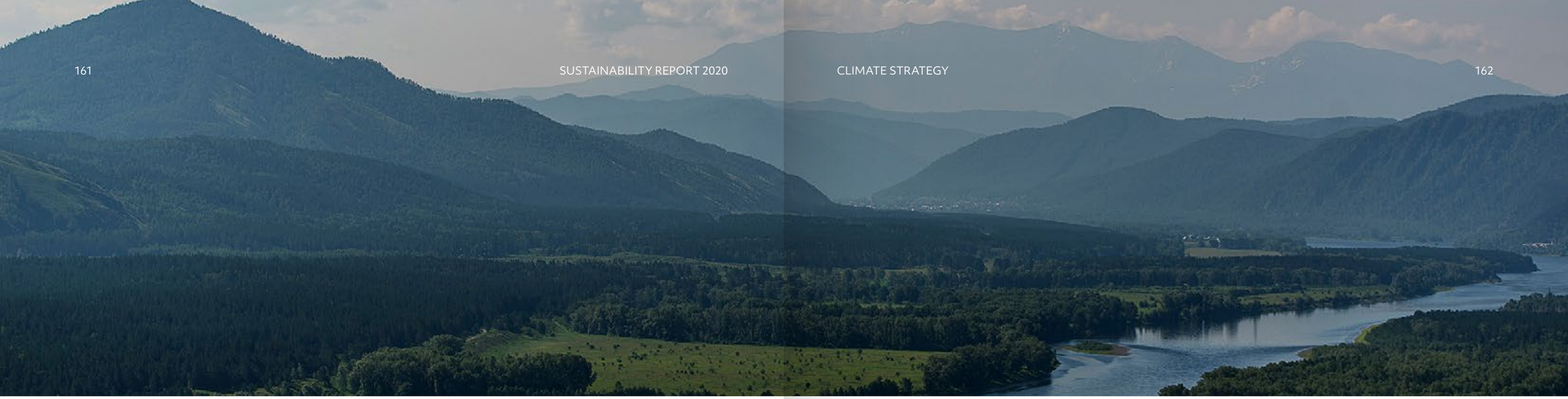
RUSAL strives to be the premier choice for consumers of greener, low-carbon aluminium on the path to a net-zero future worldwide. Since 2017 the Company has been promoting its low-carbon aluminium under the ALLOW brand – a greener aluminium produced using renewable hydropower. ALLOW allows customers to ensure that their products meet stringent environmental requirements during all stages of the production chain, calculate and reduce the carbon footprint of their products, and make a positive contribution to their corporate climate strategy.

Thanks to hydropower, ALLOW comes with a carbon footprint (independently verified) of no more than 4 t CO_2 eq/t Al, which is over five times lower than the global average of around 12 t (Scope 1&2, at smelter)[52].

Carbon footprint assessments are verified independently by an international auditing firm on a yearly basis. Its official verifications are available for our customers upon request. In 2020 the ALLOW carbon footprint was verified by a third party: TUV Austria performed a review of the calculations made by the Company, and confirmed compliance with respective requirements and methods.

Together with full-scope carbon footprint reductions, which are a cornerstone of market credibility and success, the Company strives to develop and grow market demand for low-carbon aluminium (LCA). For this purpose we are endeavouring to ensure increased sales of ALLOW, with the goal of reaching 2 million tonnes by 2025.

[52]Level 1 emissions. As defined in the Aluminium Carbon Footprint Technical Support Document – Level 1: Emissions from aluminium electrolysis, aluminium ingot casting, anode/paste production, as well as emissions from electricity.ᵃ generation and heat production associated with these processes. Source for global average indicator is IAI data, 2018.



Defining low-carbon aluminium: key standards and guidelines

Assessments of the carbon footprint of aluminium are conducted using the following standards and guidelines:

- ISO/TS 14067:2018 (GHG carbon footprint of products: quantification and communication requirements and guidelines).
- The Aluminium Carbon Footprint Technical Support Document. (2018), (the Guideline) V1.0 Feb 2018, prepared by the International Aluminium Institute.

In its calculations RUSAL uses the full carbon footprint of purchased raw materials and indirect emissions from the production of consumed fuel.

Recognition for RUSAL climate initiatives from the expert community

To establish its credibility and work in an open and transparent way, RUSAL continuously assesses and manages its climate agenda performance, engaging independent parties in this process.

Aluminium Stewardship Initiative certification (ASI)

The Aluminium Stewardship Initiative (ASI) Performance and Chain-of-Custody standards are the only recognised sustainability standards within the aluminium industry. ASI certification covers the full spectrum of environmental, social, and governance (ESG) aspects. RUSAL has already certified nine sites under the ASI and continues the work to certify further sites.

In 2019, RUSAL's headquarters and three production sites – Boksit Timana mining, Urals aluminium smelter (UAZ) alumina refining, and Irkutsk aluminium smelter (IrkAZ) – were successfully certified under ASI Standards. In 2020 Boguchansky aluminium smelter (BoAZ), Bratsk aluminium smelter (BrAZ), Krasnoyarsk aluminium smelter (KrAZ), KUBAL (Kubikenborg aluminium AB), and Sayanogorsk aluminium smelter (SAZ) successfully passed a certification audit for compliance with ASI Performance and ASI Chain of Custody Standards, and were included in RUSAL's current ASI certificates. Independent third-party audits of operations were carried out by DNV GL. Today RUSAL is among the world's largest producers of ASI-certified aluminium.

Carbon Disclosure Project (CDP)

Since joining the international Carbon Disclosure Project (CDP) in 2015, RUSAL has annually disclosed information on its GHG emissions. The Company constantly assesses and manages climate risks and annually publishes this information in a publicly available CDP report.

In 2020, RUSAL received an "A-" rating for the first time in the aluminium industry, following its annual assessment by the CDP, and became one of the 160 leading CDP companies (out of more than 4,800) seeking to reduce climate risks along the entire supply chain. This achievement reflects the consistent efforts made by RUSAL regarding fostering a responsible attitude towards climate change, and also increases our competitiveness, as the CDP report is highly regarded by the world's most prominent customer companies and investors, and is used during procurements and when making investment decisions.

RUSAL advocates a LCA market category

RUSAL is working towards LCA asset class/price differentiation and actively lobbies pricing and reporting agencies (Harbor aluminium, Fastmarkets, S&P Global, Platts).

Market context: London Metal Exchange LCA class / price differentiation

En+ and RUSAL submitted their positions to the London Metal Exchange (LME) after public consultations on sustainability calling for minimum mandatory disclosures and separate low-carbon contracts, to demonstrate substantial environmental ambitions within sustainability proposals.

In its formal response to a consultation paper issued by the LME, En+ and RUSAL put forth three core recommendations and called on the exchange to play a more active role in guiding the aluminium market towards a low-carbon future

- Mandatory carbon content and sustainability-related disclosure by metal producers (not voluntary) of carbon footprints, whether they are ASI certified, and the source of energy used to produce carbon footprints.
- A separate spot trading platform for low-carbon aluminium would be ineffective in terms of supporting a low-carbon transition.
- The creation of a separate low-carbon aluminium futures contract is an efficient tool for purchasers and producers of low-carbon aluminium.

Market context: Aluminium for Climate: Exploring Pathways to Decarbonise the Aluminium Industry

In November 2020, the World Economic Forum's Aluminium for Climate Initiative launched an industry call for action titled Aluminium for Climate: Exploring Pathways to Decarbonise the Aluminium Industry, and RUSAL contributed to this publication, highlighting three priority areas that would significantly reduce the aluminium industry's emissions:

- The decarbonisation of electricity consumption.
- The decarbonisation of direct emissions from aluminium processing.
- The recycling of aluminium scrap.

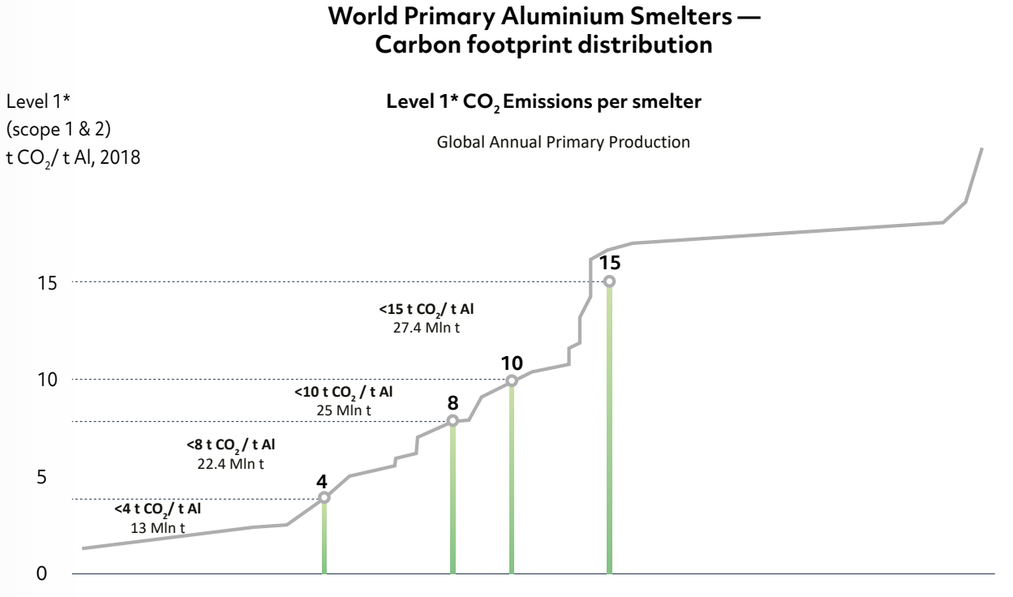
Market context: Bionova Construction White Paper

RUSAL supported the Bionova Construction White Paper published in July 2020, which highlighted the value of low-carbon aluminium for the building and construction sector. This whitepaper covers the carbon impact of aluminium in construction, and explores via various case studies how low-carbon aluminium can help reduce carbon in new buildings and retrofits, and serve as as a competitive advantage for manufacturers. The research demonstrated that ALLOW can be considered as a climate solution for construction projects. RUSAL was also represented at Bionova's low-carbon aluminium for construction webinar.

Market context: Carbon Trust White Paper on low-carbon aluminium labelling

RUSAL supported the Carbon Trust White Paper[53], which was published in April 2020 and explored benchmarks in the aluminium industry for low-carbon primary aluminium under the lower carbon primary aluminium label definition: a threshold of 4 t CO_2 e/t Al for emissions from aluminium electrolysis, anode production, and aluminium casting, including full lifecycle emissions associated with fuel combustion and electricity consumption (at smelter, level 1/scopes one and two) was recommended for the lower carbon aluminium label, which covered around 20% of global aluminium production in 2018. This ambitious threshold provides a good balance of competition for low-carbon aluminium producers

Carbon Footprint Distribution of world aluminium smelters
(Source: CRU)



[53]The Carbon Trust – The Case for Low-carbon Primary Aluminium Labelling, April 2020

Market context: sustainability linked finance facility

In 2019, the Company signed a five-year sustainability linked syndicated Pre-Export Finance facility for over USD1.085 billion. This is the first-ever on the Russian market fund-raising from a syndicate of international and Russian commercial banks, linked to sustainable development indicators. The loan margin may vary depending on the Company's attainment of key performance indicators (KPI) relating to sustainability.

Both in 2019 and 2020 these sustainability KPIs achievement was confirmed by an independent auditor.

In November 2020, RUSAL and PJSC Sberbank signed a collaborative agreement regarding their Environment, Social and Governance (ESG) strategy. The parties agreed to work together to achieve UN Sustainable Development Goals. RUSAL plans to engage Sberbank for consultation and informational support on sustainable development initiatives, in particular with regard to existing practices and already available financing tools for ongoing environmental and social welfare projects, as well as in terms of the impact of the sustainable development strategy on public corporate ESG ratings.

Also, in February 2021 RUSAL announced a second sustainability linked syndicated pre-export finance facility, for up to USD 200 million. The deal is secured, inter alia, by the assignment of proceeds under contracts, including for the supply of ALLOW, RUSAL's low carbon aluminium, produced using renewable energy from hydroelectric power plants.

5.3 ENERGY EFFICIENCY

GRI 103-1, 103-2, 103-3, HKEX Aspect A2, HKEX KPI A3.1, Para 10, ASI 5.1, SASB EM-MM-130a.1

Production projects related to enhancing energy efficiency

GRI 302-4

RUSAL embeds the best available electrolysis technologies in the world:

- RA-550 Electrolysis
- RA-400 Electrolysis
- RA-300 Electrolysis
- Inert anode Electrolysis

Super powerful RA-550 pots in a trial production area in Sayanogorsk showed energy consumption below 12,800 kW*h/t and current efficiency 96%. Meanwhile RA-400 is one of the most powerful electrolysers in the world – it can produce around three tonnes of aluminium per day innovations (for more information, please see the section Innovations, page 53).

As of the end of 2020, the Company had put into operation 686 energy-saving electrolysers (a total of 3,354 since the beginning of this initiative), which has led to energy savings 210 million kWh per year. Since 2017 the introduction of electrolysis technologies has provided total savings of 718 million kWh.

RUSAL is also implementing a project to introduce a technology that uses unshaped lining materials for electrolytic cells (778 pieces of equipment were commissioned in 2020, the total number is 2,051). As a result, the cost of overhauling electrolytic cells was reduced by over RUB 156 million.

Currently, RUSAL Novokuznetsk is replacing Soderberg electrolysers (C-2, C-3) with RA-167 electrolysers, which feature with an eco-energy efficient anode device.

The mechanism for assessing the effectiveness of the management approach to energy efficiency is represented by internal and external audits and data verification, the use of data measurement and monitoring systems, participation in external ratings (CDP), benchmarking of competitors' performance and collecting customer feedback in the form of filling out surveys.

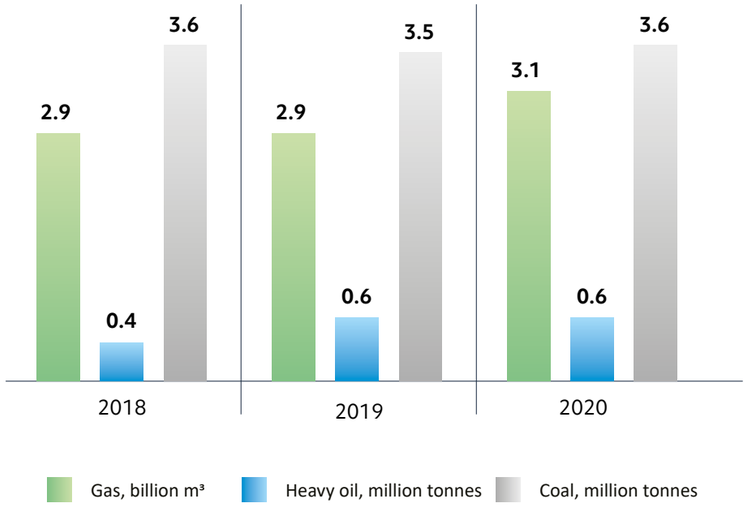
Energy efficiency results

One of RUSAL's strategic goals is to reduce average specific electric power consumption by aluminium smelters by 7% compared to the 2011 level, and to maintain the share of aluminium produced having over 95% of energy from carbon-free sources. To attain this goal, numerous projects are implemented to boost the efficiency of electricity generation at hydropower plants. Over 90% of the Company's aluminium is produced using clean and renewable hydroelectric power. In 2020 the energy mix at RUSAL aluminium smelters was: SASB EM-MM-130a.1

- hydropower: 98.5%
- nuclear: 0.02%
- wind: 0.6%
- fossil fuels: 0.9%

In 2020, RUSAL's fuel consumption trends saw growth in gas consumption: from 2.92 to 3.10 billion cubic metres, on account of the Pikalevo Alumina Refinery (PGLZ LLC) acquisition. In September 2020 the Group obtained control over PGLZ LLC, by acquiring 99.9% of its shares.

RUSAL fuel consumption by type, 2018–2020

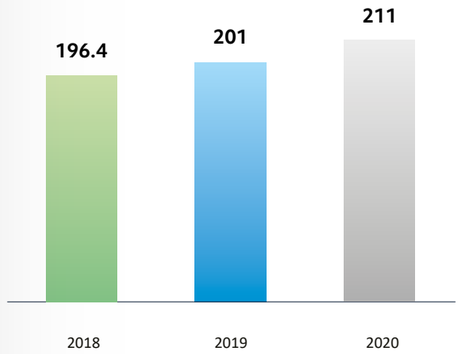


Energy and fuel consumption

GRI 302-1, SASB EM-MM-130a.1, HKEX KPI A2.1, ASI PS 5.1

Type	Units of measurement	2018	2019	2020
By fuel type:				
Natural gas	billion cubic m	**2.90**	**2.92**	**3.10**
Heavy oil	million tonnes	**0.42**	**0.57**	**0.61**
Coal	million tonnes	**3.59**	**3.47**	**3.62**
Diesel	million tonnes	**0.09**	**0.10**	**0.09**
Other[54]	million tonnes	**0.10**	**0.08**	**0.04**
By energy type:				
Electrcity	million MWh	**65**	**67**	**67**
Heat	million Gcal	**0.8**	**0.7**	**0.7**
Electrcity	GJ	**235,572,361**	**240,982,175**	**241,589,996**
Heat	GJ	**3,387,429**	**3,111,020**	**2,939,793**
Fuel from non-renewable sources	GJ	**196,424,366**	**201,326,833**	**211,777,076**

Total energy consumption from fuel[55] by RUSAL, 2018–2020, mln GJ



Another major strategic goal of RUSAL is to become the most efficient and environmentally friendly producer of aluminium in the world. To achieve this goal, the Company is seeking to reduce the energy intensity of production. RUSAL is constantly performing measures to reduce its energy intensity ratio. HKEX KPI A2.1

Upgrades to Sayanogorsk and Khakas aluminium smelters

In 2021, RUSAL plans to invest RUB 4.5 billion to upgrade the Sayanogorsk and Khakas aluminium smelters. The majority of the funds will be used to upgrade the production of electrodes, install new equipment in the foundry, and boost the energy efficiency of enterprises.

As part of the upgrade to the Sayanogorsk smelter, RUSAL will continue with its large-scale modernisation of anode baking furnaces at the electrode production facility. The new state-of-the-art equipment will reduce the smelter's impact on the environment, increase the energy efficiency of the enterprise, and improve the quality of products. The completion of construction and installation is set for the end of 2023.

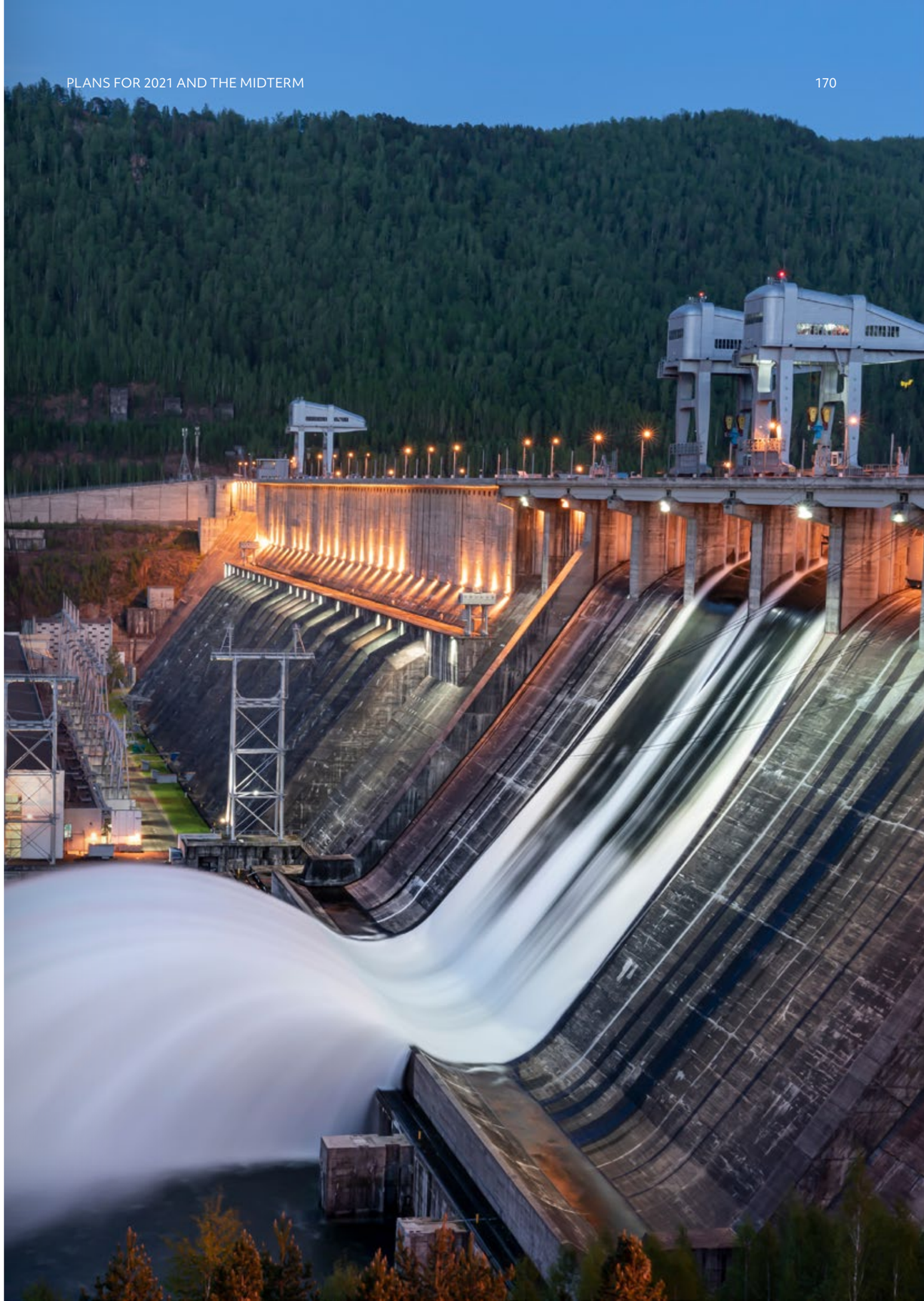
To improve the reliability of the power supply to enterprises, work continues on the construction of a 220 kW substation. It is also planned to replace two transformers.

[54]The figure includes gasoline, kerosene, LNG, coke, charcoal, and biofuel.
[55]Does not include gasoline, kerosene, LNG, coke, charcoal, and biofuel.

5.4 PLANS FOR 2021 AND THE MIDTERM

The great ambition of achieving a zero carbon level, announced by En+ Group and its metallurgical division RUSAL in January 2021, is a world-leading target, especially for an industry known for being “hard to abate”. An approximate 35% reduction in absolute reductions by 2030 and carbon net-zero by 2050 will require fundamental reductions in direct and indirect energy emissions from aluminium smelters and switching to using clean energy sources. For 2021 and the midterm RUSAL plans to implement the following initiatives:

- Revise strategic goals relating to climate change (emissions reduction strategy).
- Elaborate a plan to deliver on science-based target commitments. The Company expects metal segment targets for its new plans to be verified and approved by the Science Based Targets initiative (SBTi) by August 2021
- Grow ASI sales, since RUSAL observed increased demand for ASI-certified metal in 2020, and this is set to grow in 2021 across Europe and Asia, particularly.
- Organise air patrols and extinguish forest fires in 505 thousand hectares of the Lower Yenisei Forest in the Krasnoyarsk Territory.
- Determine absorption from forest project activities, verify the results, and record them in the Russian National Cadastre of Anthropogenic Emissions and Absorption of GHG.
- Review and quantify climate change risks within the frame of TCFD project.
- Invest RUB 4.5 billion in upgrading the Sayanogorsk and Khakas aluminium smelters.



06

DEVELOPING LOCAL COMMUNITIES

$62.5 million
spent on social programmes and charity

184,369
beneficiaries of charity initiatives in Russia

719
organisations became partners

2,045
the volunteers took part in social projects, including

866
corporate volunteers

1,212
volunteer events held, including

136
organised and

1,076
supported by grants

CONTRIBUTION TO UN SDGS

6.1 MANAGEMENT APPROACH

HKEX Para 13, HKEX Aspect B8, GRI 103-1, GRI 103-2, GRI 103-3, GRI 413-1, ASI PS 3.1, SASB EM-MM-210b.1

As the world's leading aluminium producer, RUSAL is one of the major employers and taxpayers and makes a significant contribution to the development of the regions where it operates, applying its rich experience in implementing large-scale social programs.

Managing social investments in Russia

The main goal of the Company's social strategy is to create a favorable social environment for production activities through the introduction of sustainable models of social investment in the integrated socio-economic development of territories with broad participation of stakeholders.

To achieve this goal, in 2017-2020, the Company conducted comprehensive social research and developed strategic guidelines for social policy in 12 Russian localities. These studies have become a reference point for making investment decisions on measures to support local communities in 2020, as well as evaluating the effectiveness and efficiency of our investments with social impact. RUSAL plans to conduct a similar study again in 2022-2023.
The achievement of the goals in the field of social investment is carried out within the framework of the program-project approach and the application of a number of technologies of socio-economic development and public-private partnership.
The financing of individual projects is carried out on the basis of two mechanisms:

- agreements on social and economic cooperation of the Company's enterprises with municipal and regional authorities;
- competitive selection within the framework of the Company's social grant programs.

In the first half of 2020, RUSAL approved a new version of the Regulation on Social Investment, which regulates the management of the social investment system and establishes an algorithm for the interaction of the Company's enterprises with the Center for Social Programs (CSP). The CSP, in turn, finances the provision of charitable assistance and implements infrastructure projects.
RUSAL's activities in the field of social investment are carried out through the social investment management bodies. In 2020, their structure did not undergo significant changes. GRI 103-2

Targets and strategic priorities

- Improve the quality of life for residents and support the social initiatives in all territories where the Company operates.

Areas of the Company's social investments

- Social infrastructure and urban environment for comfortable living of the region's population;
- Public healthcare;
- Assistance to socially unprotected groups of the population;
- Sports and healthy lifestyle, organization of recreation;
- Volunteering, including corporate volunteering;
- Education as the basis for the development and growth of youth.

Priority areas:

- Participation in creating a comfortable urban environment by supporting the construction andreconstruction of social infrastructure facilities andmodern public and recreational spaces;
- Development of corporate volunteering, wide involvement in volunteering of employees of enterprises and residents of the regions of presence in the areas of social and environmental volunteering.

Who's in charge?

- The Social Policy Committee
- The Social Projects Committee
- The Public Relations Directorate
- Regional Committees on social Investments
- The Centre for Social Programmes (CSP) Fund

Which guidelines do we follow?

- The Regulation on Social Investments
- The Regulation on Procurements

Management bodies of the social investment system

Management company level	Social Policy Committee	• Creates and approves the budget, the level of funding for social programmes, the content of social programmes, and projects as part of targeted programmes, taking into account the Company's priorities and goals in each of the regions where it operates.
	Public Relations Directorate	• Elaborates documents for approval by the Social Policy Committee, monitors the activities of the CSP.
Management Company Level or Operational Level	Infrastructure Project Working Group	• Monitors the quality of construction work and how funds are spent; operates until the completion of a project.
Operational level	Committees on Social Projects in Enterprises	• Performs annual and current financial planning of social projects approved by the Social Policy Committee. • Generates and provides reports on the results of projects and activities approved by the Social Policy Committee.
	Regional Committees on Social Investments	• Coordinates the charitable activities of the Company's enterprises in regions and determines the allocation of responsibility among enterprises for various areas of support in all cities of operation.
	Centre for Social Programmes (CSP) Fund	• Selects and supports the most beneficial and promising social initiatives.

Centre for Social Programmes

The main tool for implementing RUSAL's social policy is the corporate charitable foundation "Center for Social Programs" (CSP)[56]. The CSP was first established in 2004, to manage and finance RUSAL social investment projects and programmes. The main office of the fund is located in Krasnoyarsk, and there are also regional offices in the Republic of Khakassia, Volgograd, Irkutsk, Kemerovo, and Sverdlovsk regions, Krasnoyarsk Territory, and Moscow. In 2020, the CSP made significant progress in improving the efficiency, transparency and accountability of its activities. In particular, the following activities were implemented:

- transfer of all fund transactions to the PayDox electronic document management system;
- development, updating and implementation of new regulations, regulations and instructions of the CSP;
- conducting an independent audit of the fund for 2017-2019;
- improvement of the system of work in the SED, procurement regulations, development of mechanisms for interaction with industrial sites in the implementation of various forms of social investment in accordance with the new requirements of the Regulations on Social Investment of the Company.

In the reporting year, the activities of the CSP in the field of social assistance were expanded through new social and fundraising campaigns.

Currently, a program is being developed to transform the fund into an operator of major infrastructure works and a corporate institution that contributes to the development of the regions of its presence.

184,369 people
total number of beneficiaries

1,162
partners of the fund

more than USD 62.5 million
allocated by the company for social investments and charitable projects in 2020

719 organisations
number of attracted partners

24
employees

2,045 people
the number of attracted volunteers, including 866 corporate ones

7
regions

Social studies in cities where the Company operates

In the period from 2017 to 2019, studies of the social sphere in the cities of presence were conducted and reports on social aspects were prepared for each of the cities. These studies have become a reference point for making investment decisions on measures to support local communities in 2020, as well as evaluating the effectiveness and efficiency of social investments. RUSAL plans to conduct a similar study in 2022-2023.

[56]More information is available on the website https://fcsp.ru/

Engaging with local communities

RUSAL endeavours to maintain a constant open dialogue with stakeholders to determine the priority areas of its activities in the regions of presence. The Company also uses a wide range of tools to interact with local communities: surveys of focus groups consisting of community representatives, surveys of local residents, forums, round tables, seminars, workshops, thematic meetings, working groups with the participation of active citizens, entrepreneurs, heads of social institutions, non-profit organizations and government representatives.

SASB EM-MM-210b.1

Relocation programme

GRI MM9

In 2020, the Chekanovsky settlement resettlement program, which began in 2008, was continued. Along with the relocation, the demolition of old buildings and the rehabilitation of land are carried out. The total investment in the project over the entire period of its implementation exceeded USD17 million. About 400 families received new housing.

In regard to new projects, consultations are held with the local communities in the format of public hearings, the preparation of relevant materials, in accordance with the legislation, and interaction with the authorities. The resolution of disagreements takes place in the legal field, and the overall assessment of projects takes into account the interests of the local population.

Managing social investments outside Russia

The specifics of social investment programs in foreign countries depend on the standard of living of the population. The priority areas of these programs are the development of health and education systems in the areas where the population lives. These programmes are aimed, inter alia, at supporting small indigenous peoples by providing access to clean water, electricity, social and health services.

In Guinea, the Company's social projects are implemented by the Social Projects Department and the Public Relations Department of the Republic of Guinea. Funding to implement programmes is provided by the RUSAL Charitable Foundation in the Republic of Guinea.

In Jamaica, the realisation of RUSAL's social programmes is coordinated by the Senior Information and Public Affairs Officer in the HR directorate of Windalco.

In Ireland, the implementation of social programmes is under the responsibility of the HR and Community Affairs Coordinator, in the Recruitment and Public Affairs Department of the Aughinish facility.

GRI 103-2 In order to interact with local communities, social project committees were established, comprising representatives of personnel, finance, and public relations services. The committees accept applications from local communities and include in their business plans those that meet priority areas of support.

In addition, at its foreign enterprises RUSAL holds extraordinary and scheduled meetings with representatives of local communities. During these meetings, RUSAL's managers and specialists responsible for personnel security, public relations, and security issues address the Company's engagement with local communities and indigenous representatives, including discussing potential conflicts and disputes. SASB EM-MM-210a.3

In 2020, despite the COVID-19 pandemic, RUSAL's activities under agreements with foreign countries continued, with the Company's priority areas of foreign social investments being healthcare and education. HKEX KPI B8.1

Social awards

RUSAL's awards for social investment programmes, 2020

Competition	Category	Winning programme / plant
Leaders of Corporate Charity	First place in the category Best Corporate Social Investment Programme in the Territories in the Context of Sustainable Development and Business Strategy.	RUSAL Territory programme
Champions of Good Deeds	3rd place in the category Humanitarian Aid.	Charity event Time to Help
	3rd place in the category Ecology.	Ecological marathon Green Wave
The 10th Silver Archer - Siberia Communications	Winner in the category Communications in Charity.	Charity dinner Eat. Shared. Loved
The XVII industry social effectiveness competition, of Mining and Metallurgical Enterprises with High Social effectiveness	Winner in the main category, Socio-economic Efficiency.	Irkutsk and Novokuznetsk Aluminium Smelters
	Winner in the category Personnel Development.	Boguchansky Aluminium Smelter
	Winner in the category Health, Protection, and Safe Working Conditions.	Achinsk Aluminium Smelter
	Winner in the category Environmental Protection and Resource Conservation.	Bratsk Aluminium Smelter

6.2 INVESTING IN LOCAL COMMUNITIES IN RUSSIA

RUSAL is expanding its interaction with local communities, drawing on its rich experience and opportunities provided by federal, regional and municipal authorities.

The key focus of RUSAL's engagement with local communities is the development of human capital. The company, focusing primarily on its employees, strives to create a comfortable environment in the regions of activity in order to provide conditions for self-development and an active lifestyle outside of work. In addition to raising the standard of living of local residents, RUSAL strives to promote and develop a healthy lifestyle and volunteer initiatives.
RUSAL is expanding its interaction with local communities, drawing on its rich experience and opportunities provided by federal, regional and municipal authorities. RUSAL supports Russian cities in bridging the gap between municipal and federal programs, providing additional opportunities to attract federal funding. The company aims to help the cities of its presence gain experience in participating in federal programs, in particular, in the All-Russian Competition for the best Projects of the Ministry of Construction of Russia, which, in turn, will make it easier for them to receive additional funding in the future. RUSAL plans to expand the range of programs of the Ministry of Construction in support of the cities of its presence.

In Russia, RUSAL's social investments are carried out under several programms.

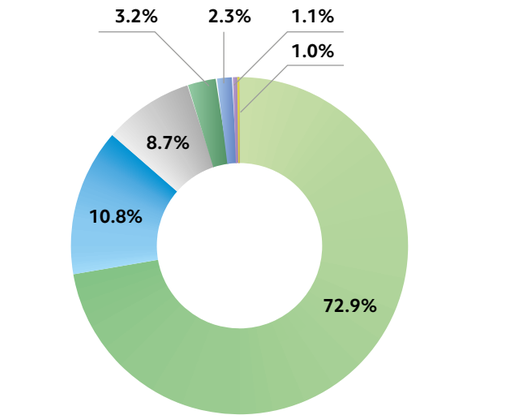
Priority areas and programs

HKEX KPI B8.1, GRI 203-1

The program of integrated socio-economic development of the territories **«RUSAL Territory»**	The program for the development of the corporate and citywide volunteer movement **«Helping is Easy»**	Training and Development program **«School of Urban Change»**
Project for the development of infrastructure and promotion of skiing and a healthy lifestyle «Go skiing!»	Program for creating a comfortable urban environment and developing volunteerism **«Charity of Industrial sites»**	The project to support the interest of local residents in culture and art, scientific and technical creativity, development of creative skills, promotion of a healthy lifestyle by conducting a wide range of socially significant cultural and educational events in local communities **«RUSAL Festival»**

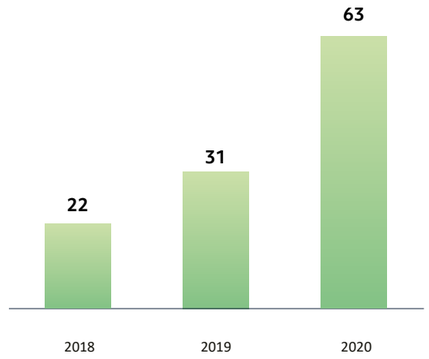
In 2020, all the Company's regular social programs were implemented, taking into account the measures introduced to combat coronavirus infection.

Key areas of social investment, 2020, %



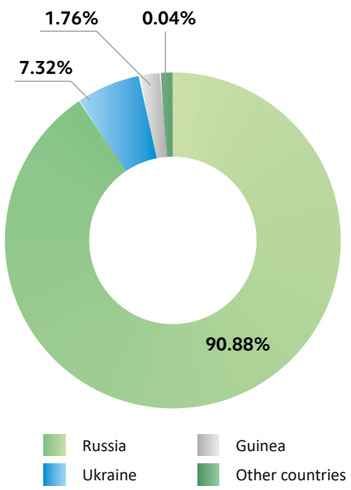
Social investment volume for 2018-2020, USD million

HKEX KPI B8.2



In 2020, the total amount of funding allocated by RUSAL as part of investments in the development of the social sphere amounted to USD63 million (RUB 4.5 billion).

Social investment by country, 2020, %



RUSAL Territory

GRI 203-1

The RUSAL Territory program was established in 2010. During its operation, we have created and restored more than 250 different social infrastructure facilities in many Russian cities. Despite the COVID-19 pandemic and the restrictions imposed, the projects were continued on the basis of a strategic approach to the implementation of the best infrastructure projects for the whole city, as well as for a specific area or residential building.

The implementation of infrastructure projects by RUSAL has been based on the needs and interests of stakeholders. These interest and needs are identified in social research.

One of the key events of the RUSAL Territory program in 2020 was the holding of the grant competition of the same name, dedicated to the twentieth anniversary of RUSAL and the tenth anniversary of RUSAL Territory. The implementation of large-scale landscaping projects based on the results of the anniversary competition "RUSAL Territories" was held in a new format.

Goals	• Enhancing the quality of life of local communities • Creating new cultural and public spaces • Organising cultural, educational, and sporting events				
Key figures	**Relevance**	**Quality**	**Coverage**	**Sustainability**	**Total amount**
	26 Number of applications received from residents	**11** Number of supported projects	**6** Number of regions in which financed projects are implemented	**84%** **Share of co-financing from partners, % of total programme budget**	**USD 4.8 million**
Key results	Holding the RUSAL Territory contest to mark the 20th anniversary of the Company and the 10th anniversary of the RUSAL Territory Social Programme	11 projects won and will receive USD 5.9 million under the RUSAL Territory programme.			
	Completion of RUSAL Territory grant competition 2017 projects.	Completing renovation of the last winning project (Museum Yard, an object of cultural heritage in Krasnoyarsk).			
	Realisation of projects supported by RUSAL in 2019.	• Repairing the Palace of Culture in the Traktorozavodsky District in Volgograd • Preparing a development strategy for the Taezniy settlement in the Boguchansky District. • Renovation of the Start stadium in Krasnoturinsk. • Repairing the Gornyak Palace of Culture in the Kalya settlement, Severouralsk.			
	Elaborating architectural development concepts for public spaces.	• Conducting tenders to select contractors for architectural development in public spaces in 10 cities. • Conducting an open international competition to elaborate a development concept for Krasnoyarsk's Gorky Central Park, with a total budget of USD178 thousand, 76 companies took part.			
	Attracting federal funds to cities where the Company operates.	Preparing cities where the Company operates to participate in a Ministry of Construction competition to attract federal investment for urban development. USD2.8 million was raised for to Sayanogorsk, Taishet, Achinsk, Taezhny.			
	Monitoring the implementation of previous infrastructure projects.	90% of previously realised infrastructure projects remain relevant, highlighting the high quality of RUSAL's mechanisms for selecting and implementing projects.			
Plans for 2021	• Implementation of programme projects and activities, supported by decisions of the Committee on Social Policy in 2019 and 2020. • Implementation of the projects-winners of the anniversary competition Territory of RUSAL in 2021: holding open competitions to elaborate design and estimate documentation and documentation for the development of public spaces, concluding contracts with agents for the implementation of improvement works. • Launch of the RUSAL Territory grant competition in December 2021.				

Helping is Easy

The programme "Helping is easy", launched in 2011, allows concerned citizens to volunteer and help non-profit organisations, educational and medical institutions, rehabilitation centres, orphaned children, veterans, and the elderly.

In 2020, the Company placed a great emphasis on conducting educational and motivational events: their number for the reporting year did not decrease compared to the previous year, but most of the events moved to the online format due to current restrictions due to COVID-19.

In 2020, the development of the corporate volunteering programme began as well, covering a number of areas:

1. **Establishing communication.**
Developing a section on corporate volunteering, which will appear on RUSAL's internal portal and include all pertinent information about the activities of volunteer teams in the cities where the Company operates.

2. **Analysis of corporate volunteer activities in sponsored institutions.**
The task of the analysis is to organise activities and strengthen and implement professional methods to socialise and work with beneficiaries.

3. **Motivational activities.**
At the end of 2020, a series of incentive-related events was held for volunteers participating in the Company's social projects.

Goals

- Develop corporate and city-wild volunteering.
- Develop and implement technologies that involve volunteers in socially significant activities.
- Train volunteers, including corporate ones.
- Elaborate and launch an integrated volunteer programme focused on various groups of stakeholders: employees, local communities, and NGOs.
- Create and foster a volunteering ecosystem in local communities to ensure the sustainability of volunteering initiatives.

Key indicators

Relevance	Quality	Coverage	Sustainability	Total amount
494 Number of applications received from residents	**118** Number of grants awarded, or interest-free loans issued	**15** Number of regions in which financed projects are implemented	**67%** Share of co-financing from partners, % of total programme budget	**USD 81.6 thousand**

inter alia

Helping is Easy	279	63	15	52%	USD 39.7 thousand
Green Wave	215	55	14	83%	USD 41.9 thousand

Key results

Helping is Easy grant competition	63 volunteer projects were supported, including 27 from initiative groups and 36 from institutions. The total grant fund was USD 40 thousand.
Green Wave grant competition	215 applications were submitted. Over 60 independent experts examined these and recommended 55 for territory development projects. The total grant fund was USD 41.6 thousand.
Green Wave Network campaign	In nine cities around 800 tree and shrub saplings were planted.
From Siberia with Love charity marathon	1,600 people attended the event, and USD 970 in donations was raised from residents.
River Day ecological marathon	For the first time in nine years, the River Day was organised live on air: nine participating cities joined in an online radio broadcast. 600 RUSAL employees took part in the programme and collected over 1,400 bags (11 tonnes) of refuse. 360 bags of plastic, glass, and metal were sent for recycling.
World Jam charity event	Six teams of volunteers took part. They prepared apple jam and sold it, raising USD 2.3 thousand to treat a sick child.
Help Games charity marathon	During the marathon, volunteer teams carried out minor repairs of children's infrastructure and collected money for children in need.
Victory Lilac campaign	65 lilac bushes were planted in the courtyards of houses where Great Patriotic War veterans live.
Time to Help charity online game	56 volunteer teams from 15 Russian cities took part in the event, aimed at raising funds for children in need. The total charitable fund was USD 27.7 thousand.

Plans for 2021

- Holding the Helping is Easy grant competition, with an increased grant fund size of USD 91.5 thousand.
- Holding the Green Wave grant competition, with an increased grant fund size of USD 69.3 thousand.
- Strengthening relations with partner companies and continuing to interact with volunteering organisations in cities.
- Conducting urban and network volunteering events in full-, online, or part-time format, depending on the epidemiological situation.

Volunteer action to help pensioners Time To Help

Within the framework of this project, RUSAL focused on supporting health care in 14 cities of its presence and providing assistance to elderly people over 65 years of age.

568
corporate volunteers took part in the campaign.

11,178
pensioners of the company received food and protective equipment

21,106
food packages

11,178
protective masks

more than 20,000
calls were received by 50 operators

more than 200
applications from elderly people in need of goods and medicines were accepted by the hotline and implemented by the Company's corporate volunteers.

Charity of Industrial Sites

GRI 203-1

The Charity of Industrial Sites programme was adopted in 2014 to support and develop the regions where the Company operates in the form of cash, property, and/or services, as well as any other assistance. The project is carried out in cooperation with En+ Group.

The implementation of many projects and activities under agreements in the first half of the year had to be postponed to the second half of 2020, due to the spread of COVID-19 and the introduction of restrictive measures in all regions of the country. Nevertheless, as part of this programme many important initiatives were implemented in 2020, including the large infrastructure project Construction of Hospitals.

Within the framework of this project, RUSAL focused on supporting health care in 14 cities of its presence and providing assistance to elderly people over 65 years of age.

Goals	• Participation in creating a comfortable urban environment by supporting the building and renovation of social infrastructure facilities and modern public and recreational spaces. • Develop corporate volunteering initiatives, and ensure extensive involvement from employees and residents of the regions of operation in voluntary activities.	
Key figures	**Relevance** **Quality** More than 25 infrastructure projects were financed	**Coverage** **9** Number of regions in which financed projects are implemented **Sustainability** **Grants and interest-free loans are not issued under the program** **Total amount** **USD 54 million**
Key results	Construction of Hospitals	**More than USD 40.2 million has been allocated for the construction and equipping of hospitals.**
	Support for education projects	RUSAL provided USD 4.6 million to support such projects as Theoretical Physics and Mathematics at Moscow State University, Career Guidance in Secondary Schools and Universities, and supplied educational literature, equipment and inventory
Key results	Charitable assistance	• RUSAL provided almost USD 69.3 thousand in charitable assistance to employees in enterprises, retired employees, and individuals in challenging life situations. • RUSAL provided USD503 thousand in charitable assistance to non-profit organisations.
	Support for environmental initiatives	RUSAL earmarked USD458.8 thousand to finance environmental programmes and events
	Projects in Achinck	Elaboration of project documentation and dismantling works for the Quantorium children's technopark. Elaboration of project documentation and renovation of the supply ventilation system at MBUK GorDK.
	Projects in Bratsk	• Renovation of Metallurgists park. • Refurbishing the Northern Artek stadium. • Refurbishing the stadium of the football club Sibiryak. • Improvements to the Yacht Club of the BrAZ trade union committee. • Installing rubber surfaces in playgrounds. • Repairing the building of the Social Protection Fund for the former workers of BrAZ.
	Projects in Krasnoyarsk	• Improvements to residential areas. • Improvements to sports and recreation facilities to support retired employees and their families. • Installing outdoor furniture in Dendrosad Square in the VII Pokrovsky microdistrict.
	Projects in Novokuznetsk	• Equipping skate parks and pump tracks at venues in the city. • Creating playgrounds for street basketball. • Improvements to the pedestrian alley on Murmansk Street, • Construction of a hospital in Novokuznetsk to treat infectious diseases. • Repair works in schools, restoring the facades of houses and pedestrian infrastructure, installing street lightning.
	Projects in Sayanogorsk	• Realisation of the Open Registry project. • Renovation of the children's creativity centre. • Major repairs to a school (the project will be completed in 2021).
	Projects in the Republic of Khakassia	Creation of Point of Growth centres of digital and humanitarian education in 37 educational organisations and digital information centres in 80 general and professional education organisations as part of the Digital Educational Environment federal project
	Projects in Kamensk-Uralsky	• Improvement works as part of the Improvement of the Boulevard of the Paris Commune project. • Repair work to replace double-glazed windows in educational institutions. • Repair of the Barabanovskoye village club; landscaping activities at a building of the Barabanovskaya village administration, repairs to a club in the village of Pirogovo.
	Project in Chinyavoryk in Komi Republic	Construction of a social and cultural centre.
	Project in Belogorsk in Kemerovo region	Medical equipment for a new outpatient clinic building.
	Project in Irkutsk Region	Providing children’s health vouchers.
Plans for 2021	• Assistance in the fight against COVID-19 for as long as is required. • Continued efforts to create a comfortable urban environment.	

Company statistics on COVID-19 in 2020

Construction and equipping of Medical Assistance and Rescue Centers	**40.3**
Increase in pay for shift personnel	**10.3**
PPE, medicines / disinfectants for regions and the Company	**7.2**
Additional payments to contractors working on industrial sites of enterprises in order to protect their personnel	**5.0**
Charity (transfer to the regions of ambulance, CT and ALV devices, PPE for medical workers, 50% of the cost of food assistance to pensioners)	**4.7**
Isolation costs for shift personnel (hotels, meals)	**4.0**
PCR testing	**3.0**
Capital expenditure budget (thermal imagers for access control, ALV devices for use in enterprise health services)	**1.7**
Others	**3.3**
Total	**79.5**

Construction of Medical centers for care and relief

In 2020, as part of the Charity of Industrial Sites programme, RUSAL launched one of its largest infrastructure projects, Construction of Hospitals, to help combat the spread of the new coronavirus COVID-19. Within the framework of this project the Company finances the construction of prefabricated infectious diseases hospitals in territories where it operates. RUSAL also completely equipped the constructed and renovated hospitals with medical devices and provides engineering support. Each hospital has 30 beds (except for the hospital in Shelekhov, which has 60).

In 2020 RUSAL invested USD 40.28 million in the Construction of Hospitals project in Russia. The completion of the project is planned in 2021.

USD 40.28 million

RUSAL invested in the Construction of Hospitals project in Russia

In 2021

The completion of the project is planned

Locations of the constructed Medical centers for care and relief

School of Urban Change programme

RUSAL launched this programme in 2010 to develop social entrepreneurship and provide support to local communities through the provision of grants and loans to implement social initiatives, with great attention being paid to the support of social entrepreneurs and activists in the sphere of ecological urban change. The educational aspects of the programme are managed by the independent non-profit Centre for Innovation in the Social Sphere (CISS).

In total, 43 events in full-time and part-time formats were held within the framework of the "Schools of Urban Change" program in 2020

Goal	Preparing active residents and representatives from creative communities in the places where the Company operates to develop and successfully implement initiatives and projects related to solving pressing social issues and improving the urban environment.	
Key figures	**Relevance** **1,188** Number of School of Urban Change participants	**Quality** Grants and interest-free loans are not issued under the program
	Coverage	**Sustainability** **0.43%** Share of co-financing from partners, % of total programme budget
		Total amount **USD12 thousand**
Key results	Intensive educational fundraising strategy and charity event From Siberia with Love.	Within the framework of projects, internships of representatives of regional non-profit organisations were held in Krasnoyarsk. All the components of the intensive course were highly appreciated by the participants.
	Meeting of the Leaders of Urban Change	The meeting was held on the Zoom platform and attended by 90 people, who analysed social issues and suggested ways to solve them.
	Educational Social Project Planning Assessment sessions	In Bratsk, Taishet, and Shelekhov educational sessions on assessments in social project planning were held. 58 people took part.
	The Create. Embody. Esteem project intensive project	The event was held in collaboration with EVRAZ using the Zoom platform. Thanks to the online format, it was possible to increase the number of participants several times (over 400 people took part), expand the geography of the event (80 cities and towns), attract federal experts, and invite top managers from RUSAL and EVRAZ to the opening.
	Distance learning courses	Four distance learning courses were run: Social Design, Social Entrepreneurship, Corporate Volunteering, and Communities and Public Spaces. 672 people participated in the remote courses, and 38 received professional development certificates.
Plans for 2021	• Developing partnerships in the organisation of joint educational events, as part of the School of Urban Change. • Expanding the pool of School of Urban Change experts. • Launching and promoting the distance learning course Eco-Action Time, developed in partnership with En+ Group. • Developing and rolling out educational and motivational events for corporate volunteer teams and municipal management teams. • Conducting the II educational intensive course for specialists at Siberian cultural institutions, and internships in event fundraising under the From Siberia with Love partner project.	

Go skiing! project

RUSAL has conducted the project Go skiing!, in partnership with En + Group and the Russian Ski Federation since 2016. The main goal of the project is to promote sports and a healthy lifestyle. The project involves conducting large-scale skiing events with a view to promoting healthy lifestyles, conducting training seminars for trainers, improving skiing infrastructure, equipping ski teams with equipment, and providing annual support to the Russian national cross-country skiing team.

Eco-initiative

In 2020, in partnership with En+ Group, and using a development grant from the President of the Russian Federation, a new online course, Time for Eco-actions, was developed. The course is intended for all those who plan to implement initiatives in the field of environmental protection and submit them to grant competitions, as well as for citizens who are concerned about responsible consumption. The course is currently available to everyone enrolled on the RUSAL School of Urban Change platform.

Go skiing! project implementation results, 2019-2020 season

Key figures		
	Financial support to the project	**USD 210,700**
Improving quality of ski infrastructure	The test operation of 6 snow-compacting machines (snow trucks) has been completed, the manufacturer has completed the revision, 5 snow trucks have been transferred to the permanent operation of sports organisations.	
	Spending to purchase ratracs	**USD 1,147 thousand**
Best Ski Coach of the Year Competition	The Best Ski Coach of the Year Competition was held, 5 winners from Komi, Khakassia, Krasnoyarsk Territory, Kemerovo and Irkutsk regions were determined. A scholarship programme was launched for the winners and master classes were held from the coaches of the Russian National ski racing team.	
	Number of winners	**5**
	Total amount of scholarship for each winner	**USD 1.2 thousand**
The championship of the project Go Skiing!	The Championship of the Go Skiing! project was held for boys and girls aged 13-16 years. The championship was held in three stages. More than 820 athletes from Khakassia, Krasnoyarsk Krai, Irkutsk and Kemerovo regions took part.	
	The winners of the second stage and the final were awarded with sets of professional sports equipment.	
The championship of the Komi Republic	The Championship of the Komi Republic among boys and girls aged 13-16 was held.	
	Number of sets of professional ski equipment handed over to the winners of the championship	**8**
	Number of pairs of skis transferred to children's and youth schools	**72**
Ski holidays	Ski holidays were held in Krasnoyarsk, Achinsk, Bratsk, Novokuznetsk, Severouralsk and Krasnoturinsk.	
	Number of participants of ski holidays	**3,500 people**
Interviews and master classes	38 interviews with athletes and coaches of the Russian national team, with coaches from Komi, Khakassia, Krasnoyarsk Territory, Kemerovo and Irkutsk regions have been published.	
	15 master classes and reviews of ski equipment have been published.	
Project audience in social media	The project's accounts have gained a leading position in social networks among the ski community.	
	Instagram	**62.8 thousand**
	Vkontakte	**75.6 thousand**
	YouTube	**12.8 thousand**

6.3 INVESTING IN LOCAL COMMUNITIES OUTSIDE RUSSIA

HKEX KPI B8.1

In 2020 the total amount of RUSAL's social nvestments outside Russia stood at USD 5.7 million (RUB 411 million). HKEX KPI B8.2

Guinea

GRI 203-1

Project/area	Performance in 2020
Scholarship programme	For many years RUSAL has contributed to the education of Guineans by awarding scholarships to young students. 101 students successfully completed their second year of a six-year Scholarship-2018 programme. The educational programme is designed for Guineans aged between 18 and 25, who attend Russian Universities to train as mining specialists, rail workers, economists, builders, and medical and administrative workers.
Cultural projects	The Company respects the culture and customs of the country and assists in the building of religious facilities (mosques and churches) in Conakry and Kindia, by supplying construction materials and providing financial support to mosques before religious holidays in Fria, Kindia, Conakry, and Boke.
Infrastructure projects	RUSAL invests regularly in basic infrastructure in Guinea to supply drinking water and provide electricity, medicine, and education to remote communities, in particular: • Rusal / CBK has opened a new primary school and indoor market for residents of Mambia Prefecture, Kindia Region. • RUSAL / CBK built and commissioned a road bridge over the Samu River in Kindia Prefecture. The new bridge will connect the remote corners of the prefecture with the regional center in Kindia, which will create additional prospects for the economic development of the region and Guinea as a whole. • Wells were constructed to supply villages with drinking water in the Kindia, Boke, and Fria areas.
Equal rights and poverty	• Dian-Dian (COBAD): Sponsorship of the women of the sub-prefecture of Kamsar and the Sub-prefecture of Sangaredi • on the occasion of International Women's Day in 2020. • Rusal/Phrygia: financial support for 14 villages in the company's area of presence in Fria. Dian-Dian (COBAD): financial assistance to women in Dugula village, Kamsar Prefecture (district de Kamoukouloun).
Medical service	RUSAL has traditionally supported Guinean healthcare. Thus, the Scientific Clinical and Diagnostic Center for Epidemiology and Microbiology (NCDCEM), built by RUSAL in 2015 during the Ebola outbreak in Kindia Prefecture, began receiving patients with confirmed coronavirus infection during the current Covid-19 pandemic. The NCDCEM laboratory was the first in Guinea to test for COVID-19 in March 2020. In addition, in June 2020, to help Guinean healthcare, RUSAL created a new multifunctional center in Fria in 21 days, which became the second medical facility built by the Company in Guinea where patients with coronavirus can be treated. The new multifunctional center in Fria has a high level of staff protection and includes an isolated infectious diseases department, a sanitary checkpoint for medical staff, an observatory, as well as an intensive care unit. Also, in July 2020, RUSAL delivered to Guinea a plane with medical humanitarian cargo intended to combat the spread of the COVID-19 epidemic. The cargo included dozens of items of medicines, as well as modern medical equipment and supplies for the treatment of patients with confirmed coronavirus infection. In addition, in December 2020, RUSAL transferred two new ambulances to Guinea. One of the vehicles transferred to Guinea will serve the patients of the Scientific Clinical and Diagnostic Center for Epidemiology and Microbiology of the NCDCEM in Kindia, and the second will serve the doctors of the multifunctional center for the treatment of infectious diseases in Fria, opened in June. For their contribution to the fight against COVID-19 in Guinea, three RUSAL medical workers were awarded the national Guinean award "Katala 224 "(the word "katala" in the language of the Guinean people of Susu means "a person who fights" or "selfless worker"). At the end of 2020, RUSAL won the Guinea Best Company Awards for its contribution to the fight against COVID-19 and socially responsible policies during the pandemic (saving jobs, salaries, social benefits, and investment projects). Since 2010, the Guinea Best Company Awards have been presented annually by the expert Council of COPE-Guinée (the Commonwealth of Guinean Non-Governmental Organizations for the Promotion of Excellence) to 50 enterprises in Guinea and West Africa that have demonstrated significant achievements in various industries, economies and public life.

RUSAL has been operating in the Republic of Guinea since 2001 and is one of the largest investors in the country. RUSAL's support for Guinea is not limited to medical projects. The company is actively involved in the development of the country's infrastructure. In 2020, RUSAL commissioned a new 65-meter road bridge over the river Samu is located in Kindia Prefecture. This made it possible to connect remote corners of the prefecture with the regional centre in India, which opened up new prospects for the economic development of the region and the country as a whole.

Ireland

Project/area	Performance in 2020
Education	• The plant hosted a number of educational trips in early 2020 to its facility for local schools. Insights were provided into the process of alumina production, as well as the everyday life of the plant. • Tours of our wildlife sanctuary were given by our landsman and by birdwatch Ireland; helping to educate children on our local wildlife. • Aughinish is an active participant in Explore Engineering (formerly Limerick for Engineering) and although the showcase was cancelled for 2020, Aughinish worked with Explore Engineering to promote the STEM world among schoolchildren. • The Company sponsored charity and fundraising events at local primary and secondary schools and at a Russian-language children's club • Financial support was provided to the Local Aviation Museum which was forced to close to visitors during the pandemic.
Charity	• During the Christmas holidays employees donate money to local charities, as part of a yearly tradition. • Aughinish donated visors to a local community charity providing integrated services where individuals are supported in all aspects of personal care maintaining their confidence and dignity, protecting their rights and promoting independence. • RUSAL Aughinish employees annually nominate a charity: in 2020 a charity that promotes positive mental health was selected.
Sports and leisure	• The Company provides extensive sponsorship support to local Gaelic Athletic Association Clubs, and is the main sponsor of the local football club located in the island of Aughinish. • Company employees and their families are active participants in sports clubs, from players to volunteer coaches. The Company encouraged the continuation of activity during the COVID-19 restrictions by facilitating a wellness programme which included advice and virtual sessions. • RUSAL Aughinish has sports facilities on site, which are available to both employees and local residents. These were closed during the pandemic in compliance with government advice, but Aughinish encouraged the use of the nature trails in a COVID-19 compliant way by introducing one-way systems, additional signage and providing hi-vis vests.
Culture and the arts	• Aughinish ran a number of art competitions for children of employees and neighbours during the pandemic and used the artwork as part of our wellness programme – bringing happy images to employees. • The Company invested in the development of a plan for a new, modernised area of nature trails in its vicinity. The trails are considered a local amenity and are used by all members of the local community. Their value to the community became evident during the pandemic when everyone's movements were restricted to within 5km of their home.
Community	• The Company supports local community councils in their efforts to improve the local area. In addition, RUSAL supports local clubs and associations. • Aughinish provided support to local community groups who were helping our community through the various issues that arose as a result of the pandemic. • During the pandemic, the company delivered care packages to our neighbours consisting of masks and sanitising products when these were in short supply in the country. • Aughinish provided our neighbours, many of whom are elderly, with a telephone number offering support where required

Jamaica

RUSAL is the single largest employer in its operating areas in Ewarton and Old Harbour in St. Catherine in Jamaica. The Company contributes significantly to the nation's development and continues to invest in projects as part of its corporate social responsibility mandate. These projects and activities are aimed at enhancing education and fostering social and economic growth, and, most importantly, nurturing a harmonious relationship between the Company and its host communities.

The Company invested in its educational programmes in 2020:

Project/area	Performance in 2020
Educational scholarships Education	• The Company continued its support and maintenance of 25 Jamaican students studying at Siberian Federal University in Krasnoyarsk. In addition to tuition and accommodation costs, WINDALCO also provided a monthly stipend to help with the personal upkeep of students. Twenty-three students returned to Jamaica in September 2020 while two students are continuing studies. • The local scholarship and grants programme saw bursaries granted to 63 students attending tertiary institutions across the island. The grants were awarded to assist students with college/university tuition. • Five scholarships were awarded to final-year engineering students in the local University of Technology, to assist them financially during their final year of study.

Project/area	Performance in 2020
Online Learning Assistance Progamme	Hundreds of students from 35 communities across WINDALCO's three locations were gifted tablets to facilitate online learning amid the COVID-19 pandemic. Students were also given book vouchers to purchase textbooks and other back to school supplies ahead of the new school term. WiFi hubs were also established at community centers to provide internet access for students who did not have internet connection at home. In total, 220 tablets, 6 laptops and a projector were donated as part of the Online Learning Assistance Programme.

Sweden

Project/area	Performance in 2020
Internship programme	• Kubal strives for a close collaboration with the Mid Sweden University. We have instituted the so-called ALLOW award, which is a scholarship for students at Mid Sweden University Sundsvall can apply for. A jury selects the best work/essay focused on the aluminium industry. • Kubal regularly receives students who do their degree project with the Company. In the summer, we employ two students who work on a project at the factory. At the same time, they are studying a summer course at the university.
Charity	• During the Christmas holidays employees donate money to local charities. • The company donated money to Sundsvall Children's Hospital. • Together with the white-collar trade union, we supported a local association that works with vulnerable children. • The company has also supported larger organisations such as Médecins Sans Frontières, Childhood Cancer Foundation and BRIS.
Sports and leisure	We support the local football team GIF Sundsvall in their work with children and young people with disabilities.

6.4 PLANS FOR 2021 AND THE MIDTERM

- Documenting the charity and social investment fund policy; elaborating a new fund strategy and rebranding the fund.
- Ensuring maximum transparency of work, improving the document flow, and enhancing financial integration with the Treasury.
- Further integrating industry standards.
- Increasing interaction with local communities the authorities on urban development projects.
- Including senior Company officials in social activities.

APPENDIX 1. ABOUT THIS REPORT

Approach to reporting

HKEX Para 11, HKEX Para 14, GRI 102-46, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-54, ASI PS 3.1

This Sustainability Report of RUSAL (the Report) reflects the main results of the Company's sustainable development management activities from 1 January 2020 to 31 December 2020. The Report also includes a description of management approaches, achieved results, comparative data for previous years as well as the Company's plans for 2021 and the midterm. The previous report was published on 2 July 2020 and disclosed the Company's results for the 2019 calendar year. The Company has published sustainability reports on an annual basis since 2010.

Electronic versions of reports are available on the corporate website of RUSAL.

The Sustainability Report is prepared in accordance with core-level reporting of Global Reporting Initiative (GRI) Standards, the Metals & Mining SASB Standards. In addition, the Report is prepared in accordance with the GRI Standards Mining and Metals Sector Supplement, Environmental, Social, and Governance Reporting Guide of HKEX, ASI Standards, recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), 17 UN Sustainable Development Goals and 10 principles of the UN Global Compact.

The Sustainability Report is published in the English, Chinese, and Russian languages.

The principles forming the basis of the Report

During the preparation of the Sustainability Report RUSAL was guided by six key principles.

Principle	Description
Stakeholder engagement	The Report's content is defined taking into account our stakeholder's opinions and expectations; interaction with stakeholders occurs at all stages of the Company's operations. Before beginning to create the Report, we conducted a survey of stakeholders to identify material topics. For more information, see the section Stakeholder engagement and materiality assessment, p.21.
Sustainable development context	This Report covers topics relating to the Company's activities in the economic, social, and environmental spheres. In addition, the Company's plans and goals for the future are also presented in the Report. The chapter Innovation presents the Company's projects and developments that will have a positive impact on the environment, the economies of the countries where the Company operates, and society as a whole.
Materiality	In determining the contents of the Report, an analysis of material topics affecting the Company and its stakeholders was conducted. The Report covers in detail the results of activities on selected material topics.
Completeness	In preparing the Report, data were collected on all key indicators pertinent to the Company and its stakeholders. The data include information on all production facilities of the Company, and are presented in the section Reporting boundaries.
Quantitative aspects	The Company's economic, environmental, and social indicators presented in the Report were calculated, collated, and consolidated in accordance with GRI Standard reporting principles and requirements and are presented in the section Methodology of data preparation.
Consistency	Descriptions of changes in data collection methods and methods for calculating indicators are presented in the section Methodology of data preparation and additional statements in the text of the Report.

Reporting boundaries

GRI 102-45, HKEX Para 15

The information on sustainable development presented in this Report relates to the activities of RUSAL production facilities. The sustainable development indicators for other categories, in particular for the environment, are mainly given for all major operating assets.

Sustainability Report includes consolidated information about the Company's entities. It covers entities that are consolidated under the IFRS unless the notes indicate otherwise. Occupational health and safety, and environmental stewardship data, along with HR indicators of the Group entities that should be consolidated proportionately under the IFRS, are accounted for in this Report in full. Starting 2019 Boguchansky Aluminium Smelter (BoAZ) was included into the reporting boundaries. Financial data in the Report is represented in accordance with IFRS.

Changes in the list of material topics

GRI 102-4, GRI 102-47

Changes in the list of material topics

Material topics for 2019	Material topics for 2020	Why we changed it
Environmental		
Energy	Energy management	Was reformulated for better coverage of the topic in question
Water use and impact on water resources	Water and wastewater management	Was reformulated for better coverage of the topic in question
Land resources and impact on biodiversity	Biodiversity	Was reformulated for better coverage of the topic in question
Air emissions	Air quality	Was reformulated for better coverage of the topic in question
Production waste	Safe management of tailings and waste	Was reformulated for better coverage of the topic in question
Social		
Employment and employee development	Employees management and engagement	Was reformulated for better coverage of the topic in question
Health and safety in the workplace	Health and safety	Was reformulated for better coverage of the topic in question
Diversity and equal opportunity	Social and cultural diversity and equal opportunity	Was reformulated for better coverage of the topic in question
Governance		
Compliance with statutory and regulatory requirements	Compliance and anti-corruption	The topic was combined with the topic Anti-corruption and reformulated for better coverage of the topic in question
Product quality	-	The topic was removed from the list of material topics
Anti-corruption	-	The topic was combined with the topic Compliance
Supply chain	Sustainable supply chain	Was reformulated for better coverage of the topic in question
Corporate ethics	Business ethics	Was reformulated for better coverage of the topic in question

Methodology of data preparation and significant changes

HKEX Para 14, GRI 102-49

Information about the Company's sustainable development activities reflected in this Sustainability Report was collated in accordance with GRI Standard reporting principles, SASB Metals and Minig Standard, HKEX, ASI PS, and TCFD requirements. Data sources are from official reporting forms provided on an annual basis to the state statistics authorities, and data from management records.

Financial data in the Report are represented in accordance with the International Financial Reporting Standards (IFRS) consolidated financial statements and are presented in US dollars. Reported figures were converted into US dollars according to the weighted average annual exchange rate for 2020. In order to ensure the comParability of data, the most significant indicators relating to the Company's activities are presented in three-year dynamics. There were no significant changes in the methods for calculating indicators in 2020 .

All restatements in the Report are indicated appropriately in the footnotes. The key reasons for restatements of information in the Report are improvement of the indicators' boundaries and retrospective information. GRI 102-48

Instead of the average headcount in the Employees section was used the value of the total headcount as of December 31, 2020. GRI 102-48

Contact information

GRI 102-53

Please see the website and Annual Report, available at https://rusal.ru/en/investors/financial-stat/annual-reports/ for more information about the Company's activities, corporate governance, and operational performance.

For further information about the Report, sustainability performance, or to provide feedback on the Report, please contact us:

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please mark envelopes '2020 Sustainability Report'

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APPENDIX 2. KEY SUSTAINABILITY DATA

Economic indicators

Indicator	Units	2018	2019	2020
Total net sales at the end of the year, USD GRI 102-7	USD million	10,280	9,711	8,566
Capitalization volume at the end of the year				
Including borrowed capital (loans and borrowings, including bonds)	USD million	8,286	8,247	7,792
Including equity	USD million	5,209	6,747	6,543
Total volume of products supplied at the end of the year (sale of primary aluminium and alloys) GRI 102-7, SASB EM-MM-000.A	tonnes	3,671,025	4,176,093	3,925,871
Economic value HKEX KPI B8.2, GRI 201-1				
Direct economic value created	USD million	11,267	11,425	9,575
Revenue	USD million	10,280	9,711	8,566
Income from financial investment	USD million	955	1,669	976
Income from the sale of assets	USD million	32	45	33
Distributed economic value	USD million	9,234	9,055	8,201
Operating costs	USD million	8,202	8,064	7,431
Salaries and other payments and benefits to employees	USD million	739	824	784
Payments to capital providers	USD million	501	589	462
Payments to the government	USD million	336	192	85
Investing in local communities	USD million	22	31	63
Undistributed economic value	USD million	2,033	2,370	1,374
Financial assistance received from the state GRI 201-4, ASI PS 3.3				
Tax relief and tax credits	USD million	5	0	0
Subsidies, including subsidies for R&D	USD million	5	5	0
Total	USD million	10	5	0

Environmental protection

Indicator	Units	2018	2019	2020
Total monetary value of fines for non-compliance with environmental legislation	USD thousand	17.6	5.0	34.2
Total number of cases brought through dispute resolution in connection with violation of environmental legislation GRI 307-1	number	3	4	0
Water				
General water input (only freshwater) GRI 303-3, ASI PS 7.1, 7.3, SASB EM-MM-140a.1	million cubic metres	147.5	155.0	154.0
Breakdown by source				
Surface water	million cubic metres	102.0	110.8	110.1
Groundwater	million cubic metres	14.9	13.7	20.7
Urban networks	million cubic metres	17.1	17.7	17.7
Other	million cubic metres	13.5	12.8	5.4
Freshwater used for production needs GRI 303-5, ASI PS 7.1, 7.3	million cubic metres	80.0	94.2	103.8
Total volume of freshwater consumption GRI 303-5, HKEX KPI A2.2, SASB EM-MM-140a.1	million cubic metres	101.1	112.5	113.6
Breakdown by divisions				
Aluminium Division	million cubic metres	19.8	17.9	19.5
Alumina Division	million cubic metres	82.5	93.6	93.0
New Projects Directorate	million cubic metres	1.4	0.8	0.6
Downstream Division	million cubic metres	3.5	0.2	0.5
Share of circulating and recycling of the water supply	%	93.3	93.2	92.6
Total volume of industrial wastewater discharges to surface water sources GRI 306-1, GRI 303-4, ASI PS 6.2	million cubic metres	56.4	59.8	61.6
Breakdown by divisions				
Surface water	million cubic metres	56.4	34.7	34.3
Groundwater	million cubic metres	0.0	0.0	0.0
Urban networks	million cubic metres	0.0	2.2	4.5
Seawater	million cubic metres	0.0	22.9	22.8

Indicator	Units	2018	2019	2020
Water				
Breakdown by type				
Polluted	thousand cubic metres	15,448.3	22,002.9	21,532.5
Treated	thousand cubic metres	18,107.9	12,436.6	12,462.6
Nominally clean	thousand cubic metres	2.3	267.6	253.0
Waste				
Accumulation of non-hazardous waste on 31 December	million tonnes	939.0	1,030.0	1,057.8
Total volumes of overburden and rock, tailings and sludge[57] G4 MM3				
Total volumes of accumulated overburden and rock, tailings and sludge	million tonnes	746.7	812.5	951.9
overburden volumes	million tonnes	317.6	341.0	469.0
rock volumes	million tonnes	0	0	0
tailings volume				
sludge volume	million tonnes	429.0	471.5	482.9
Volumes of formed overburden and rock, tailings and sludge	million tonnes	66.5	66.7	71.4
overburden volumes	million tonnes	53.9	53.9	57.0
rock volumes				
tailings volume	million tonnes	0	0	0
sludge volume	million tonnes	12.6	12.8	14.4
Waste generation and management SASB EM-MM-150a.1, SASB EM-MM-150a.2				
Total amount of waste in tailing dumps formed by the enterprises during the reporting period	million tonnes	11.7	11.6	13.8
Percentage of tailings sent for recycling	%	10.1	9.5	7.4
Total volume of mineral processing waste	million tonnes	14.0	14.0	16.1
Percentage of waste from mineral processing sent for recycling	%	14.6	14.4	13.6
Waste management, excluding overburden rocks GRI 306-2, HKEX KPI A1.3, A1.4, ASI PS 6.5				
Generated	million tonnes	14.0	14.0	16.1
Disposed	million tonnes	11.7	12.1	13.8
Recycled	million tonnes	2.0	2.0	2.2

[57]Hereinafter, in the appendix 2 "Key sustainability data" - data on deposits located in Guyana (Guyana Bauxite Company) and Guinea (Kindia and Dian Dian Bauxite Company), which may be material for the consolidated indicators of formation and management of overburden, are excluded due to the lack of measurement systems and corresponding requirements in national legislation.

Indicator	Units	2018	2019	2020
Hazardous waste				
Generated	million tonnes	0.3	0.3	0.3
Disposed	million tonnes	0.1	0.1	0.1
Recycled	million tonnes	0.2	0.2	0.2
Non-hazardous waste				
Generated	million tonnes	13.8	13.7	15.9
Disposed	million tonnes	11.9	12.0	13.7
Recycled	million tonnes	1.9	1.8	2.0
Specific waste				
Bauxite residue and nepheline mud from alumina production GRI MM3				
Generated	million tonnes	12.6	12.8	14.4
Disposed	million tonnes	11.3	11.6	13.4
Recycled	million tonnes	1.3	1.2	1.1
Spent pot lining ASI PS 6.7				
Generated	thousand tonnes	48.1	41.6	38.2
Disposed	thousand tonnes	13.3	10.2	8.5
Recycled	thousand tonnes	29.2	32.6	31.1
Land				
Disturbed	hectares	204.6	685.6	1,563.1
Rehabilitated	hectares	53.5	18.6	48.3
Air emissions[58] GRI 305-7				
Carbon Monoxide (CO)	thousand tonnes	223.2	232.2	238.7
PM (except Fsolid, tarry substances, B(a)P)	thousand tonnes	37.6	37.3	36.3
Sulphur dioxide (SO_2)	thousand tonnes	36.4	42.0	40.1
Sum of nitric oxides as nitrogen dioxide (NO_2)	thousand tonnes	19.6	19.5	20.1
Other emissions	thousand tonnes	8.4	8.4	9.3
Total fluoride (gaseous and solid fluoride)	thousand tonnes	7.0	6.6	6.4
Volatile organic compounds (VOCs)	thousand tonnes	1.6	1.6	1.5
Benzo(a)pyrene	thousand tonnes	0.0040	0.0039	0.0041
Total	**thousand tonnes**	**347.6**	**333.8**	**352.4**

[58]Hereinafter, in the appendix 2 "Key sustainability data" - data on the bauxite-alumina complex "Fria" (Guinea), which may be material for consolidated indicators, are excluded due to the lack of measurement systems and corresponding requirements in national legislation.

Climate change

Indicator	Units	2018	2019	2020
Direct (Scope 1) GHG emissions[59] GRI 305-1, HKEX KPI A1.2				
Breakdown by divisions				
Aluminium Division	tonnes CO_2-e	8,727,655	8,819,639	8,915,130
Other production	tonnes CO_2-e	15,137,274	17,255,741	17,865,621
Indirect (Scope 2) GHG emissions GRI 305-2, HKEX KPI A1.2				
Breakdown by divisions				
Aluminium Division	tonnes CO_2-e	877,668	748,960	736,580
Other production	tonnes CO_2-e	1,117,081	1,289,901	1,086,827
Specific GHG emissions HKEX KPI A1.2 GRI 305-4				
Direct (Scope 1) specific GHG emissions in electrolysis operations	tonnes CO_2-e per tonne of aluminium produced	2.11	2.03	2.04

Energy efficiency

Indicator	Units	2018	2019	2020
Fuel consumption HKEX KPI A2.1, ASI 5.1, GRI 302-1				
Breakdown by type of fuel				
Natural gas	billion cubic m	2.90	2.92	3.10
Heavy fuel	million tonnes	0.42	0.57	0.61
Coal	million tonnes	3.59	3.47	3.62
Diesel	million tonnes	0.09	0.10	0.09
Other[60]	million tonnes	0.10	0.08	0.04
Total consumption of non-renewable energy sources (fuels)	million GJ	196.4	201.3	211.8
Energy consumption (purchased and received electricity and heat) GRI 302-1, HKEx KPI A2.1, SASB EM-MM-130a.1				
Breakdown by type				
Electricity	million MWh	65	67	67
Electricity	million GJ	235.6	241.0	241.6
Heat	million Gcal	0.8	0.7	0.7
Heat	million GJ	3.4	3.1	2.9
Total fuel consumption	million GJ	435.4	445.5	456.3

[59]Hereinafter, in the appendix 2 "Key sustainability data", the data on greenhouse gas emissions do not include the volume of emissions at the enterprises of the Downstream Division, which amounted to 148.3 thousand tons of CO2-eq in 2020 (Scope 1 and Scope 2).
[60]For 2017 the figure includes gasoline, kerosene, and LNG. For 2018 and 2019 the figures also include coke, charcoal, and biofuel.

Employees

Indicator	Units	2018	2019	2020
Total workforce at the end of the reporting period	number	**66,409**	**53,654**	**56,150**
Breakdown by country GRI 102-7, KPI B1.1, SASB EM-MM-000.B				
Russia	number	57,014	43,305	46,019
Armenia	number	673	664	679
Ukraine	number	2,879	2,887	2,885
Jamaica	number	1,108	1,124	1,161
Guinea	number	2,741	3,754	3,832
Ireland	number	459	459	469
Guyana[61]	number	542	510	-
Sweden	number	486	461	496
Other countries[62]	number	507	490	609
Average headcount GRI 401-1	number	64,057	54,981	53,335
Percentage of new employee hires GRI 401-1	%	14.6	17.3	13.8
Female	%	21.7	22.9	24.4
Male	%	78.3	77.1	75.6
Number of new employee hires	number	9,712	9,282	7,723
Breakdown by region of operations and age GRI 401-1				
Russia	number	8,932	7,373	6,805
Employees under 30 years old	number	3,421	2,766	2,367
Employees 30-50 years old	number	4,831	3,979	3,796
Employees over 50 years old	number	680	628	642
Other countries	number	780	1,909	918
Employees under 30 years old	number	322	694	362
Employees 30-50 years old	number	381	1,052	457
Employees over 50 years old	number	77	163	99

[61]In 2020, Guyana had fewer than 400 employees.
[62]"Other Countries" are defined as countries where the total workforce at the end of the reporting period is less than 400 employees.

Indicator	Units	2018	2019	2020
Turnover rate GRI 401-1, KPI B1.2	%	13.5	40.2	10.9
Russia, including	%	14.3	47.7	10.8
Female	%	13.0	37.0	10.8
under 30 years old	%	17.9	43.7	20.0
30-50 years old	%	10.1	33.9	9.2
over 50 years old	%	17.9	42.0	10.8
Male	%	14.7	51.6	10.8
under 30 years old	%	18.2	55.5	16.3
30-50 years old	%	12.1	46.5	8.8
over 50 years old	%	19.8	65.5	12.4
Other countries, including	%	8.3	9.0	11.8
Female	%	7.7	6.3.	8.1
under 30 years old	%	25.4	12.8	18.6
30-50 years old	%	6.0	4.8	6.9
over 50 years old	%	5.5	6.6	6.9
Male	%	8.4	9.4	12.3
under 30 years old	%	19.0	15.6	20.2
30-50 years old	%	6.8	7.9	9.9
over 50 years old	%	7.3	9.4	13.3
Percentage of employees covered by collective agreements GRI 102-41, SASB EM-MM-310a.1, ASI PS 10.1b	%	87.7	83.1	85.5
Workforce by gender GRI 405-1, KPI B1.1				
Percentage of female employees	%	23.1	24.2	24.7
Percentage of female senior managers	%	14.8	15.3	16.6
Percentage of female middle managers	%	17.9	19.3	20.1
Percentage of female specialists	%	54.6	55.8	56.6
Percentage of female workers	%	18.7	19.8	20.3
Workforce by age groups GRI 405-1, KPI B1.1				
Employees under 30 years old	number	10,842	8,512	8,372
Percentage of employees under 30 years old	%	16.3	15.9	14.9
Employees 30-50 years old	number	40,473	33,176	34,949
Percentage of employees 30-50 years old	%	60.9	61.8	62.2
Employees over 50 years old	number	15,094	11,966	12,829
Percentage of employees over 50 years old	%	22.7	22.3	22.8

Indicator	Units	2018	2019	2020
Breakdon by employee category				
Senior managers	number	634	609	643
under 30 years old	number	6	4	3
30-50 years old	number	382	373	406
over 50 years old	number	246	232	234
Middle managers	number	4,783	4,035	4,268
under 30 years old	number	152	125	121
30-50 years old	number	3,194	2,678	2,845
over 50 years old	number	1,437	1,232	1,302
Specialists	number	8,245	6,662	6,974
under 30 years old	number	1,177	985	922
30-50 years old	number	5,253	4,223	4,503
over 50 years old	number	1,815	1,454	1,549
Workers	number	52,747	42,348	44,265
under 30 years old	number	9,507	7,398	7,326
30-50 years old	number	31,644	25,902	27,195
over 50 years old	number	11,596	9,048	9,744
Employees by employment contract type GRI 102-8				
INDEFINITE TERM EMPLOYMENT CONTRACT				
Percentage of employees with indefinite term employment contract	%	94.2	91.8	91.5
Indefinite term employment contract	number	62,534	49,232	51,402
Male	number	48,348	37,417	38,844
Female	number	14,168	11,815	12,558
Percentage of employees with indefinite term employment contract in Russia	%	96.5	96.2	95.6
Percentage of employees with indefinite term employment contract in other countries	%	80.0	73.3	73.2
FIXED TERM EMPLOYMENT CONTRACT				
Percentage of employees with fixed term employment contract	%	5.8	8.2	8.5
Fixed term employment contract	number	3,875	4,422	4,748
Male	number	2,741	3,276	3,426
Female	number	1,134	1,146	1,322
Percentage of employees with fixed term employment contract in Russia	%	3.5	3.8	4.4

Indicator	Units	2018	2019	2020
Percentage of employees with fixed term employment contract in other countries	%	20.0	26.7	26.8

Employees by employment contract type GRI 102-8, KPI B1.1

FULL-TIME				
Percentage of full-time employees	%	99.0	98.8	98.8
Percentage of full-time employees in Russia	%	99.7	99.7	99.7
Percentage of full-time employees in other countries	%	94.6	95.1	94.8
Full-time employees, including	number	65,754	53,012	55,461
Russia	number	56,863	23,165	45,860
Female	number	13,928	11,534	12,454
Male	number	42,935	31,631	33,406
Other countries	number	8,891	9,847	9,601
Female	number	1,235	1,274	1,257
Male	number	7,656	8,573	8,344
PART-TIME				
Percentage of part-time employees	%	1.0	1.2	1.2
Percentage of part-time employees in Russia	%	0.3	0.3	0.3
Percentage of part-time employees in other countries	%	5.4	4.9	5.2
Part-time employees, including	number	655	642	689
Russia	number	151	140	159
Female	number	74	63	72
Male	number	77	77	87
Other countries	number	504	502	530
Female	number	83	90	97
Male	number	421	412	433

Rusal minimum entry level salaries GRI 202-1

Breakdown by country				
Russia	USD	492	459	180
Armenia	USD	200	436	435
Ukraine	USD	190	219	185
Jamaica	USD	339	325	331
Guinea	USD	74	73	70
Guyana	USD	546	571	210
Nigeria	USD	145	140	150

Indicator	Units	2018	2019	2020

Rusal minimum entry level salaries compared to the regional minimum GRI 202-1, ASI PS 10.7a

Breakdown by country				
Russia	coefficient	1.8	1.8	1.1
Armenia	coefficient	1.4	2.9	2.3
Ukraine	coefficient	1.0	1.2	1.0
Jamaica	coefficient	1.4	1.4	1.5
Guinea	coefficient	1.6	1.6	1.5
Guyana	coefficient	2.3	2.3	1.0
Nigeria	coefficient	2.5	2.4	1.7

Gender pay ratio GRI 405-2

Average wages of men in relation to the average wages of women				
Russia	coefficient	n/a	n/a	1.9
Other countries	coefficient	n/a	n/a	2.0
Senior managers				
Russia	coefficient	n/a	n/a	2.0
Other countries	coefficient	n/a	n/a	2.6
Middle managers				
Russia	coefficient	n/a	n/a	1.2
Other countries	coefficient	n/a	n/a	1.9
Specialists				
Russia	coefficient	n/a	n/a	1.3
Other countries	coefficient	n/a	n/a	1.3
Workers				
Russia	coefficient	n/a	n/a	1.3
Other countries	coefficient	n/a	n/a	1.3

Proportion of senior management hired from the local community[63] GRI 202-2

Total	%	90.3	89.9	90.3
Russia	%	99.8	99.8	99.8
Other countries	%	64.9	63.0	61.6

[63]The share of top management from among the local population in Russia and other countries was recalculated for 2018–2020, due to a change in the approach to calculating the indicator. When calculating the indicators, instead of the average number of employees, the value of the total number of employees at the end of the year was used. The geographic definition of the local population includes the country.

Training

Indicator	Units	2018	2019	2020
Number of employees trained	persons	n/a	n/a	7,559
Distance training	persons	n/a	n/a	3,432
Percentage of employees trained KPI B3.1				
Breakdown by gender				
Male	%	n/a	n/a	10.9
Female	%	n/a	n/a	23.1
Breakdown by gender				
Managers	%	n/a	n/a	36.7
Specialists	%	n/a	n/a	64.7
Workers	%	n/a	n/a	2.8
Average taining hours completed per employee KPI B3.2, GRI 404-1				
Average training hours per employee per year	hours	n/a	n/a	2.3
Breakdown by gender				
Average number of training hours per female employee per year	hours	n/a	n/a	4.2
Average number of training hours per male employee per year	hours	n/a	n/a	1.7
Breakdown by employee category				
Average number of hours of training per manager per year	%	n/a	n/a	8.5
Average number of hours of training per specialist per year	%	n/a	n/a	11.9
Average number of hours of training per worker per year	%	n/a	n/a	0.1

Health and safety performance

Indicator	Units	2018	2019	2020
Number of fatalities as a result of work-related injuries (employees)[64] GRI 403-9, EM-MM-320a.1	number	4	4	2
Number of fatalities as a result of work-related injuries (contractors), EM-MM-320a.1	number	4	3	5
LTIFR[65]	rate	0.16	0.22	0.18[66]
LTIFR (employees)	rate	0.16	0.22	0.20[67]
Cases of occupational diseases GRI 403-10	number	153	113	100
Cases of fatalities caused by occupational diseases	number	0	0	0
Number of work-related injuries (employees)	number	81	94	85
Number of high-consequence work-related injuries (excluding contractors)				
RUSAL (employees)		14	22	18
Contractors	number	2	9	7
Number of hours worked				
RUSAL	million man-hours	102.5	86.7	84.0

Community investment

Indicator	Units	2018	2019	2020
Social investments by category				
Social investments by category				
Education	%	n/a	38.7	10.8
Charity	%	n/a	16.9	3.2
Social infrastructure and urban environment	%	n/a	15.8	8.7
Culture	%	n/a	11.4	1.1
Environmental and animal protection	%	n/a	11.2	1.0
Healthcare	%	n/a	2.8	72.9
Sport	%	n/a	2.3	2.3
Volunteering	%	n/a	0.9	0
Total social investments	USD million	22	31	63

[64]Hereinafter, in the section "Key sustainability data", data on injuries and occupational diseases contain only reported cases for active employees.
[65]Including the main contractor LLC ECS
[66]In 2020, the actual rate was 0.18, excluding Pikalevsky Alumina Plant LLC (PGLZ). Since the acquisition of the PGLZ in September 2020 until the end of 2020, 4 work-related injuries including 2 high-consequence work-related injuries have occurred at the PGLZ. From 2021, PGLZ will be included in the general statistics of UC RUSAL.
[67]Hereinafter, in the section "Key sustainability data", data on injuries and occupational diseases contain only reported cases for active employees.

Governance

Indicator	Units	2018	2019	2020
Composition of the Board of Directors GRI 102-22, GRI 405-1				
Total number of directors on the Board of Directors	number	14	14	14
Executive directors	number	3	3	3
Non-executive directors	number	3	3	3
Number of independent directors	number	8	8	8
Board of Directors by age group				
35 to 50 years old	number	6	5	3
50 to 70 years old	number	8	7	9
Over 70 years old	number	2	2	2
Tenure on the Board of Directors				
up to 2 years	number	11	10	10
2-5 years	number	2	3	3
more than 5 years	number	1	1	1
Number of meetings of the Board of Directors	number	12	10	36
Gender composition of senior management GRI 102-22, GRI 405-1				
Men	number	13	13	13
Women	number	1	1	1
Share of women	%	7	7	7
Independence of Board Committees GRI 102-22				
Audit Committee	%	100	100	100
Corporate Governance and Nomination Committee	%	100	100	100
Remuneration Committee	%	100	100	100
Standing committee	%	33	33	33
Norilsk Nickel Investment Supervisory Committee	%	50	50	50
Health, Safety and Environmental Committee	%	75	75	83
Compliance committee	%	100	100	100
Marketing Committee	%	0	0	0

Business ethics

Indicator	Units	2018	2019	2020
Total number of reports to the "SignAL" hotline	number	53	300	426
Breakdown by category				
Employee relations	number	26	129	245
Relationship with counterparties	number	13	63	80
Environment, occupational health and safety	number	2	21	26
Inefficient use of the Company’s assets	number	5	51	21
Others	number	7	36	54

Supply chain

Indicator	Units	2018	2019	2020
Total number of suppliers HKEX KPI b5.1				
Management company	number	303	293	308
Aluminium division	number	5,069	5,403	5,771
Aluminous division	number	5,919	6,050	6,585
Downstream division	number	2,343	2,119	2,282
Total	number	13,634	13,865	14,946
Total number of local suppliers[68] GRI 414-1				
Management company	number	8	11	16
Aluminium division	number	3,461	3,714	3,733
Aluminous division	number	3,240	3,269	3,216
Downstream division	number	914	828	1,025
Total	number	7,623	7,822	7,990
Number of new suppliers assessed against social criteria as part of supplier audits GRI 414-1	number	n/a	n/a	21
Number of supplier audits performed on sustainability compliance issues, including human rights violations GRI 412-1	number	41	78	64
Share of purchases from local suppliers in total purchases GRI 204-1				
Management company	%	6%	17%	14%
Aluminium division	%	56%	58%	62%
Alumina division	%	44%	36%	33%
Downstream division	%	35%	57%	31%
Total	%	47%	47%	49%[69]
Purchases from suppliers GRI 204-1				
Management company	USD million	1,250	1,484	1,200
Aluminium division	USD million	6,222	6,193	5,666
Alumina division	USD million	1,859	1,992	1,794
Downstream division	USD million	96	80	102
Total	USD million	9,427	9,748	8,762

[68]For enterprises of the Russian Federation, the local market is suppliers and contractors registered in the Subject of the Federation of the enterprise's presence (for Sayanogorsk - Khakassia + Krasnoyarsk Territory), for foreign enterprises (outside Russia) the local market is suppliers and contractors registered in the country of presence

[69]Data from divisions is presented on suppliers of all goods and services, except for credit and financial services.

Indicator	Units	2018	2019	2020
Purchases from local[62] GRI 204-1				
Management company	USD million	72	246	168
Aluminium division	USD million	3,495	3,596	3,519
Alumina division	USD million	809	715	584
Downstream division	USD million	34	46	32
Total	USD million	4,410	4,603	4,303

Business system

Indicator	Units	2018	2019	2020
Business system development				
Number of projects aimed at the development of BS (projects at the Company level - to improve logistics operations, quality, supplier development, etc.)	number	139	90	107
Number of in-plant projects (projects at the enterprise level aimed at reducing losses, optimizing the operation of equipment, etc.)	number	231	269	259
Total economic effect of the implementation of the implementation of BS	USD million	67.3	46.7	38.8
Kaisen workshops				
Number of improvements proposed by employees	number	13,627	10,713	11,816
Number of implemented improvements proposed by employees	number	11,952	9,645	11,155
Number of Kaisen workshops	number	10	10	10
'Improvement of the Year' competition				
Number of participants	persons	1,709	1,100	1,148
Economic effect of Kaisen proposals and projects	USD million	18.7	7.8	8.45

Quality management system

Indicator	Units	2018	2019	2020
Quality management audits				
Number of internal corporate audits	number	n/a	31	32
Number of independent audits	number	n/a	26	24
Quality training for employees				
Number of employees trained	persons	1,484	863	1,800

APPENDIX 3. GRI CONTENT INDEX GRI 102-55

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 102 general disclosures							
1. Organisational Profile							
GRI 102-1	Name of the organisation	At a glance	p. 5				
GRI 102-2	Activities, brands, products, and services	At a glance	p. 5				
GRI 102-3	Location of headquarters	At a glance	p. 9				
GRI 102-4	Location of operations	At a glance	p. 9				
GRI 102-5	Ownership and legal form	1.1 Corporate governance	p. 33				
GRI 102-6	Markets served	1.6 Supply chain	p. 67				
GRI 102-7	Scale of the organisation	At a glance 1.1 Corporate Governance 1.6 Supply chain	p. 7 p.35 p.67				
GRI 102-8	Information on employees and other workers	3.2 Personnel structure Appendix 2. Key sustainability data	p. 105 p. 200		KPI B1.1		
GRI 102-9	Supply chain	1.6 Supply chain Appendix 2. Key sustainability data	p. 67 p. 209		Aspect B5, KPI B5.1-B5.4	PS 2.4	Number of suppliers by region has not been disclosed.

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 102-10	Significant changes to the organisation and its supply chain	1.6 Supply chain	p. 67		Aspect B5		
GRI 102-11	Precautionary Principle or approach	1.2 Risk management and internal control	p. 41 The Company applies the precautionary principle within the framework of a functioning risk management system, comprehensively assessing the potential danger to the environment or human health				
GRI 102-12	External initiatives	Association and international initiatives membership RUSAL's contribution to UN Sustainable Development Goals (UN SDGs)	p. 25 p. 27				
GRI 102-13	Membership of associations	Association and international initiatives membership	p. 25	3.3.5 Participation in non-profit organizations (for example, industry organizations) and / or national and international organizations whose activities are related to the interests of the company			
2. Strategy							
GRI 102-14	Statement from senior decision-maker	Message from the Chairman Message from the General Director	p. 11 p. 13		Para 10, 13		
GRI 102-15	Key impacts, risks, and opportunities	1.2 Risk management and internal control	p. 41		Para 10, 13		
3. Ethics and Integrity							
GRI 102-16	Values, principles, standards, and norms of behaviour	Sustainability strategy 1.5 Ethics and integrity 3.7 Human rights	p. 17 p. 63 p. 119	1.1. Main business conduct principles	Para 13	PS 1.3, 2.5, 9.1	
GRI 102-17	Mechanisms for advice and concerns about ethics	1.5 Ethics and integrity	p. 65		KPI B7.2	PS 3.4	

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
4. Governance							
GRI 102-18	Governance structure	1.1 Corporate Governance	p. 34			PS 2.1	
GRI 102-19	Delegating authority	1.1 Corporate Governance	p. 37		Para 13		
GRI 102-20	Executive-level responsibility for economic, environmental, and social aspects	1.3 Sustainability governance	p. 45		Para 13	PS 2.2	
GRI 102-21	Consulting stakeholders on economic, environmental and social topics	Stakeholder engagement and materiality assessment	p. 21				
GRI 102-22	Composition of the highest governance body and its committees	1.1 Corporate Governance Appendix 2. Key sustainability data	p. 35 p. 207			PS 2.2	
GRI 102-23	Chair of the highest governance body	1.1 Corporate Governance	p. 34			PS 2.2	
GRI 102-24	Nominating and selecting the highest governance body		See Annual Report 2020, section "Corporate Governance Report", p. 158				
GRI 102-25	Conflicts of interest		See Annual Report 2020, section "Corporate Governance Report", pp. 141, 147, 153, 155				
GRI 102-26	Role of the highest governance body in setting purpose, values, and strategy	1.1 Corporate Governance 1.3 Sustainability governance	p. 34 p. 43		Para 10, 13		
GRI 102-27	Role of the highest governance body in setting purpose, values, and strategy	1.1 Corporate Governance 1.3 Sustainability governance	p. 34 p. 43		Para 10, 13		
GRI 102-28	Collective knowledge of highest governance body	1.1 Corporate governance 1.3 Sustainability governance	p. 34 p. 43 See Annual Report 2020, section "Corporate Governance report", p. 156				
GRI 102-29	Identifying and managing economic, environmental, and social impacts	1.2 Risk management and internal control 1.3 Sustainability governance	p. 41 p. 43		Para 10, 13	PS 3.1	
GRI 102-30	Effectiveness of risk management processes	1.2 Risk management and internal control	p. 40 See Annual Report 2020, section "Corporate Governance Report", pp. 163-165		Para 10, 13	PS 1.1	
GRI 102-31	Reviewing economic, environmental, and social topics	1.3 Sustainability governance	p. 43 See Annual Report 2020, section "Corporate Governance Report", p. 155		Para 10, 13	PS 3.1	

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
4. Governance							
GRI 102-32	Highest governance body's role in sustainability reporting		p. 43 The Sustainable Development Report was approved at the meeting of the Board of Directors		Para 10,13		
GRI 102-33	Communicating critical concerns	1.2 Risk management and internal control	p. 40		Para 10,13		
GRI 102-34	Nature and total number of critical concerns		Significant issues in the field of sustainable development are brought to the attention of the Board of Directors on a quarterly basis.				
GRI 102-35	Remuneration policies	1.1 Corporate Governance	p. 39 See Annual Report 2020, section Remuneration Policy", p. 144.				
GRI 102-36	Process for determining remuneration	1.1 Corporate Governance 4 Motivation and renumeration	p. 39 p. 110 See Annual Report 2020, section Remuneration Policy", p. 144.				
5. Stakeholder Engagement							
GRI 102-40	List of stakeholder groups	Stakeholder engagement and materiality assessment	p. 22		Para 7	PS 3.4	
GRI 102-41	Collective bargaining agreements	3.6 Social partnership Appendix 2. Key sustainability data	p. 118 p. 201	3.1.4. Coverage by collective bargaining agreements		PS 10.1	
GRI 102-42	Identifying and selecting stakeholders	Stakeholder engagement and materiality assessment	p. 21		Para 7		
GRI 102-43	Approach to stakeholder engagement	Stakeholder engagement and materiality assessment	p. 22		Para 7		
GRI 102-44	Key topics and concerns raised	Stakeholder engagement and materiality assessment	p. 22		Para 7		

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
6. Reporting Practice							
GRI 102-45	Entities included in the consolidated financial statements	Reporting boundaries	p. 192		Para 15		
GRI 102-46	Establishing the report content and topic boundaries	Approach to reporting Stakeholder engagement and materiality assessment Appendix 1. About this report	p. 23 p. 191		Para 11,14		
GRI 102-47	List of material topics	Changes in the list of material topics, Stakeholder engagement and materiality assessment	p. 193		Para 14	PS 3.1	
GRI 102-48	Restatements of information	Methodology of data preparation and significant changes	p.194		Para 14,15		
GRI 102-49	Changes in reporting	Methodology of data preparation and significant changes	p. 194		Para 14,15		
GRI 102-50	Reporting period	Approach to reporting	p. 191				
GRI 102-51	Date of most recent report	Approach to reporting	p. 191				
GRI 102-52	Reporting cycle	Approach to reporting	p. 191				
GRI 102-53	Contact point for questions regarding the report	Contact information	p. 194				
GRI 102-54	Reporting complaints in accordance with the GRI Standards	Approach to reporting	p. 191				
GRI 102-55	GRI content index	Appendix 3. GRI Content Index	p. 212				
GRI 102-56	External assurance	Approach to reporting			Para 9		
GRI 103 Management approach							
GRI 103-1	Explanation of the material topic and its boundaries		It is presented in a Report on each significant topic before the disclosure of the main data.		Para 13,14	PS 3.1	
GRI 103-2	The management approach and its components		It is presented in a Report on each significant topic before the disclosure of the main data.		Para 13	PS 3.1	
GRI 103-3	Evaluation of the management approach		It is presented in a Report on each significant topic before the disclosure of the main data		Para 13		

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 200 Economic							
GRI 201 Economic performance							
GRI 103	Management approach	1.3 Sustainability governance	p. 43		Para 13		
GRI 201-1	Direct economic value generated and distributed	Appendix 2. Key sustainability data	p. 195	1.2. Volume of sales (work, services) 3 1.3. Accrued taxes and other mandatory deductions 1.4. Payroll costs 1.5. Asset investment 1.6. Payments to capital providers 1.7. Community investment	KPI B8.2	PS 3.3	
GRI 201-2	Financial implications and other risks and opportunities due to climate change	5.1 Our approach to TCFD disclosure	p. 151				
GRI 201-3	Established benefit plan obligations and other retirement plans		RUSAL employees are members of the pension systems of the countries of their presence. The company allocates funds for the future pension provision of its employees in a certain proportion of the amount of the salary fund. Trust funds have been established in various countries for this purpose.				
GRI 201-4	Financial assistance received from government	Appendix 2. Key sustainability data	p. 195				
GRI 202 Market presence							
GRI 103	Management approach	3.1 Management approach	p. 103		Para 13, Aspect B1		
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	3.4 Motivation and remuneration Appendix 2. Key sustainability data	p. 111 p. 203 The size of the standard entry-level salary is disclosed without a breakdown by gender			PS 10.7	Disclosed without a breakdown by gender
GRI 202-2	Share of senior management hired from the local community	3.2 Personnel structure Appendix 2. Key sustainability data	p. 105 p. 204				
GRI 203 Indirect economic impacts							
GRI 103	Management approach	6.1 Management approach	p. 173		Aspect B8, Para 13	PS 2.3	
GRI 203-1	Infrastructure investments and services supported	6.2 Investing in local communities in Russia 6.3 Investing in local communities outside Russia	p. 178 p. 189		KPI B8.1, B8.2		

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 204 Procurement practices							
GRI 103	Management approach	Supplier management system	p. 68		Aspect B5		
GRI 204-1	Share of spending on local suppliers	1.6 Supply chain Appendix 2. Key sustainability data	p. 69 p. 209		KPI B5.1		
GRI 205 Anti-corruption							
GRI 103	Management approach	1.5 Ethics and integrity	p. 61		Aspect B7; Para 13; KPI B7.2	PS 1.2	
GRI 205-1	Operations assessed for corruption-related risks	1.5 Ethics and integrity	p. 63				
GRI 205-2	Communication and training about anti-corruption policies and procedures	1.5 Ethics and integrity Members of governing bodies were informed about anti-corruption policies and procedures in 2016 while adopting the policy. The information about anti-corruption policies and proceures is posted in the public domain on the Company's website and is open for review by counterparties	p. 64		Aspect B7, KPI B7.3		
GRI 205-3	Confirmed incidents of corruption and actions taken	1.5 Ethics and integrity	p. 63		Aspect B7, KPI B7.1		
GRI 300 Environmental							
GRI 302 Energy							
GRI 103	Management approach	5.3 Energy efficiency	p. 166		Aspect A2, KPI A2.3, A3.1, Para 13	PS 2.1; 2.3	
GRI 302-1	Energy consumption within the organisation	5.3 Energy efficiency Appendix 2. Key sustainability data	p. 168 p. 199	2.2. Energy consumption 2.2.1. Energy consumption per unit of production	KPI A2.1	PS 5.1	The Company's consumption of renewable fuel is negligible for disclosure purposes
GRI 302-4	Reduction of energy consumption	5.3 Energy efficiency	p. 166		KPI A2.3		
GRI 303 Water and effluents							
GRI 103	Management approach	4.1 Management approach 4.2 Water resources	p. 125 p. 128		Aspect A2, Para 13	PS 2.1; 2.3, 7.2	
GRI 303-1	Interactions with water as a shared resource	4.2 Water resources	p. 128		KPI A2.2	PS 7.1	KPI A2.2 disclosed without mentioning specific indicator
GRI 303-2	Management of water discharge-related impacts	4.2 Water resources	p. 129		KPI A3.1	PS 6.2	

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 303 Water and effluents							
GRI 303-3	Water withdrawal	4.2 Water resources Appendix 2. Key sustainability data	p. 128 p. 196		KPI A2.4	PS 7.1	KPI A2.2 disclosed without mentioning specific indicator
GRI 303-4	Water discharges	4.2 Water resources Appendix 2. Key sustainability data	p. 130 p. 196			PS 6.2	Breakdown of the total water discharge to all areas by the types of destination is not disclosed
GRI 303-5	Water consumption	4.2 Water resources Appendix 2. Key sustainability data	p. 129 p. 96		KPI A2.2		KPI A2.2 disclosed without mentioning specific indicator
GRI 304 Biodiversity							
GRI 103	Management approach	4.1 Management approach 4.7 Biodiversity	p. 125 p. 140		Aspect A3; KPI A3.1; Para 13	PS 2.1; 2.3, 8.2	
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.7 Biodiversity	p. 140			PS 8.4	
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	4.7 Biodiversity	p. 140		KPI A3.1	PS 8.1	
GRI 304-4	IUCN Red List species and national concervation list species with habitats in areas affected by operations	4.7 Biodiversity	p. 141				
GRI 305 Emissions							
GRI 103	Management approach	5.1 Our approach to TCFD disclosure 5.2 Climate strategy	p. 149 p. 157		Aspect A1, A3; KPI A1.5, A3.1; Para 13	PS 2.1, 2.3, 4.1, 5.3	KPI A1.5 disclosed without specifying performance goals
GRI 305-1	Direct (Scope 1) GHG emissions	5.2 Climate strategy Appendix 2. Key sustainability data	p. 159 p. 199	2.5. Greenhouse gas emissions	KPI A3.1 disclosed only in terms of the impact on water resources		
GRI 305-2	Energy indirect (Scope 2) GHG emissions	5.2 Climate strategy Appendix 2. Key sustainability data	p. 159 p. 199	2.5. Greenhouse gas emissions	KPI A1.1, A1.2	PS 5.1	
GRI 305-3	Other indirect (Scope 3) GHG emissions	5.2 Climate strategy	p. 159		KPI A1.1, A1.2	PS 5.1	Indirect non-energy greenhouse gas emissions (Scope 3) includes greenhouse gas emissions from the production of purchased fuels and raw materials.
GRI 305-4	GHG emissions intensity	5.2 Climate strategy Appendix 2. Key sustainability data	p. 159 p. 199		KPI A1.1, A1.2	PS 5.3	
GRI 305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	4.5 Air emissions Appendix 2. Key sustainability data	p. 136 p. 198	2.6. Pollutant atmospheric emissions 2.6.1. Emissions per unit of production	KPI A1.1 KPI A1.5	PS 6.1	KPI A1.5 disclosed without specifying performance goals

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 306 Effluents and waste							
GRI 103	Management approach	4.1 Management approach	p. 125		Aspect A1, A3; KPI A1.6; KPI A3.1; Para 13	PS 2.1, 2.3, 6.5	KPI A1.6 Annually, the Company sets the following goals related to the increase of the share of waste processing: the amount of transferred / processed spent coal lining, the amount of transferred / processed red / nepheline sludge
GRI 306-1	Water discharge by quality and destination	Appendix 2. Key sustainability data	p. 196		KPI A1.1	PS 6.2	
GRI 306-2	Waste by type and disposal method	4.3 Waste management Appendix 2. Key sustainability data	p. 131 p. 197		KPI A1.3 KPI A1.4 KPI A1.6 KPI A2.5	PS 6.5 PS 6.7	KPI A1.3 - A1.4 disclosed without mentioning by specific indicator; Indirect non-energy greenhouse gas emissions (Scope 3) includes greenhouse gas emissions from the production of purchased fuels and raw materials.
GRI 306-3	Significant spills	4.3 Waste management	p. 131		KPI A3.1	PS 6.4	KPI A3.1 disclosed only in terms of the impact on water resources
GRI 306-4	Transport of hazardous waste	4.3 Waste management	p. 131		KPI A1.3; KPI A1.6		KPI A1.3 disclosed without breakdown by specific indicators KPI A1.6 Annually, the Company sets the following goals related to the increase of the share of waste processing: the amount of transferred / processed spent coal lining, the amount of transferred / processed red / nepheline sludge
GRI 307 Environmental compliance							
GRI 103	Management approach	4.1 Management approach	p. 125		Para 13	PS 1.1	
GRI 307-1	Non-compliance with environmental laws and regulations	4.1 Management approach Appendix 2. Key sustainability data	p. 127 p. 196	2.9. Number of significant emergencies with environmental impact 2.10. Recovered environmental damage	Aspect A1	PS 3.2	
GRI 308 Supplier environmental assessment							
GRI 103	Management approach	1.6 Supply chain	p. 67		Para 13; Aspect B5; KPI B5.2		
GRI 308-1	New suppliers that were screened using environmental criteria	1.6 Supply chain	p. 70 Information partially disclosed		KPI B5.2		

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 400 Social							
GRI 401 Employment							
GRI 103	Management approach	3.1 Management approach	p. 103		Aspect B1; Para 13	PS 2.1, 2.3	
GRI 401-1	New employee hires and employee turnover	3.2 Personnel structure Appendix 2. Key sustainability data	p. 104 p. 200	3.1.1. Total workforce by region 3.1.2 Employee turnover	KPI B1.2		
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.4 Motivation and remuneration	p. 112 RUSAL provides the same social package to all employees working on a full-time, temporary or part-time basis		Aspect B1		
GRI 403 Occupational health and safety							
GRI 103	Management approach	2.1 Management approach	p. 79		Aspect B2; KPI B2.3; Para 13	PS 2.1; 2.3; 11.1	
GRI 403-1	Occupational health and safety management system	2.1 Management approach	p. 81		Aspect B2 KPI B2.3	PS 11.1, 11.2	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	2.2 Enhancing the safety culture 2.3 Risk identification and management 2.5 Performance results	p. 84 p. 86 p. 91				
GRI 403-3	Occupational health services	2.7 Health protection	p. 96		KPI B2.3		
GRI 403-4	Worker participation, consultations, and communication on occupational health and safety	2.1 Management approach	p. 82		KPI B2.3		
GRI 403-5	Worker training on occupational health and safety	2.6 Training	p. 93		KPI B2.3		
GRI 403-6	Promotion of worker health	2.7 Health protection	p. 96		KPI B2.3		
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.3 Risk identification and management 2.4 Safety initiatives and projects in 2020 2.7 Health protection 2.9 Emergency preparedness	p. 86 p. 89 p. 95 p. 100		KPI B2.3		
GRI 403-8	Workers covered by an occupational health and safety management system	Appendix 2. Key sustainability data	p. 221 Information partially disclosed.		KPI B2.1; KPI B2.2		
GRI 403-9	Work-related injuries	2.5 Performance results Appendix 2. Key sustainability data	p. 97 p. 206	3.1.5. Rate of occupational injuries 3.1.6. Number of work-related fatalities		PS 11.4	The LTIFR rate for contractors are not disclosed. The Company currently does not collect these data. Data on occupational injuries does not include data on employees whose work and / or workplace is not controlled by the organization. The data also does not include the number of working hours and the number of injuries used to calculate the LTIFR.
GRI 403 Occupational health and safety							
GRI 403-10	Work-related ill health	2.7 Health protection Appendix 2. Key sustainability data	p. 97 p. 206	3.1.7. Number of occupational diseases		PS 11.4	The number of cases of occupational diseases for contractors is not disclosed. The Company currently does not collect these data.
GRI 404 Training and education							
GRI 103	Management approach	3.5 Training and development	p. 115		Aspect B3; Para 13	PS 2.1	
GRI 404-1	Average hours of training per year per empoyee	Appendix 2. Key sustainability data	p. 205	3.1.10. Number of training hours per employee			
GRI 404-2	Programmes for upgrading employee skills and transition assistance	3.5 Training and development	p. 115		Aspect B3		
GRI 405 Diversity and equal opportunity							
GRI 103	Management approach	3.7 Human rights	p. 119		Aspect B1; Para 13	PS 9.2, 10.4	
GRI 405-1	Diversity of governance bodies and employees	1.1 Corporate governance 3.2 Personnel structure Appendix 2. Key sustainability data	p. 36 p. 105 p. 201	3.1.12. Participation of women in management bodies	KPI B1.1		
GRI 405-2	Ratio of basic salary and remuneration of women to men	3.4 Motivation and remuneration Appendix 2. Key sustainability data	p. 110 p. 204				

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 406 Non-discrimination							
GRI 103	Management approach	3.7 Human rights	p. 119				
GRI 406-1	Incidents of discrimination and corrective actions taken	3.7 Human rights	p. 121				
GRI 407 Freedom of association and collective bargaining							
GRI 103	Management approach	3.6 Social partnership	p. 118				
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.6 Social partnership	p. 118				
GRI 408 Child labour							
GRI 103	Management approach	1.5 Ethics and integrity	p. 61		Aspect B4; KPI B4.1; KPI B4.2; Para 13	PS 10.2	
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	1.5 Ethics and integrity 1.6 Supply chain	p. 66 p. 69		KPI B4.1; KPI B4.2		
GRI 409 Forced or compulsary labour							
GRI 103	Management approach	1.5 Ethics and integrity	p. 61		Aspect B4; KPI B4.1; KPI B4.2; Para13	PS 10.3	
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	1.5 Ethics and integrity 1.6 Supply chain	p. 66 p. 69		KPI B4.1; KPI B4.2		
GRI 411 Rights of indegenous people							
GRI 103	Management approach	3.7 Human rights	p. 119		PS 9.3		
GRI 411-1	Incidents of violation involving rights of indigenous people	3.7 Human rights	p. 120		PS 9.3		
GRI 412 Human rights assessment							
GRI 103	Management approach	3.7 Human rights	p. 119		Para 13	PS 9.1	
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	Appendix 2. Key sustainability data	p. 209			PS 2.5, 9.1	

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 413 Local communities							
GRI 103	Management approach	6.1 Management apparoach	p. 173		Aspect B8; Para 13	PS 9.7	
GRI 413-1	Operations with local community engagement, impact assessments, and development programmes	1.5 Ethics and integrity 6.1 Management approach	p. 173 p. 176	3.3.1 Interaction with authorities on socially significant matters (social and economic development in the regions of operation)	KPI B8.1, B8.2		
GRI 414 Supplier social assessment							
GRI 103	Management approach	1.6 Supply chain	p. 67		Aspect B5; KPI B5.2; Para 13		
GRI 414-1	New suppliers screened using social criteria	Appendix 2. Key sustainability data	p. 209 Information partially disclosed		KPI B5.2		
GRI 417 Marketing and labeling							
GRI 103	Management approach	1.6 Supply chain	p. 75		Para 13		
GRI 417-1	Requirements for product and service information and labelling	1.6 Supply chain	p. 75 Information partially disclosed	3.4.1. Information and labeling	KPI B6.5		KPI B6.5 (not applicable)
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	1.6 Supply chain	p. 75 Information partially disclosed	3.4.2. Product quality management	Aspect B6		
GRI 419 Socioeconomic compliance							
GRI 103	Management approach	1.5 Ethics and integrity	p. 61		Para 13	PS 1.3	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area		In the reporting period, no significant fines or sanctions were imposed for non-compliance with the requirements of the legislation in the social sphere.			PS 1.1; 3.2	

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI Sector specific aspect							
GRI MM1	Amount of land (owned or leased) used for production activities, disturbed, or reclaimed	4.6 Land resources	p. 139				
GRI MM3	Total amounts of overburden, rock, tailings, and sludge and associated risks	4.3 Waste management 4.6 Land resources Appendix 2. Key sustainability data	p. 131 p. 139				
GRI MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	6.1 Management approach	p. 176		PS 9.6		

APPENDIX 4. SASB CONTENT INDEX

Indicator		Section name	Additional information	Page
GHG emissions				
EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	5.2 Climate strategy	According to regulations, European assets of The Group in Ireland and Sweden are subjects to European requirements.	p. 159
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	5.2 Climate strategy		p. 158
Air quality				
EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N_2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	4.5 Air emissions	The Company keeps records in accordance with the requirements of the national legislation of the regions where the Company operates and does not collect the data on lead and mercury emissions, in addition, these substances are not characteristic of the main production units of the Company.	p. 136
Energy management				
EM-MM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	5.3 Energy efficiency Appendix 2. Key sustainability data		p. 166
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	4.2 Water resources Appendix 2. Key sustainability data		p. 128 p. 196
EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	4.2 Water resources	This indicator is taken into account within industrial and environmental control at the enterprise level. It is not currently consolidated in environmental reporting at the Company level, since it is not related to the strategic environmental objectives of the Company.	p. 129
Hazardous waste management				
EM-MM-150a.1	Total weight of tailings waste, percentage recycled	4.3 Waste management Appendix 2. Key sustainability data	Tailings waste is not generated in the production processes of Metals segment enterprises, therefore, tailings waste is presented in the form of data on red and nipheline sludge from alumina enterprises generated in the reporting period.	p. 132
EM-MM-150a.2	Total weight of mineral processing waste, percentage recycled	Appendix 2. Key sustainability data		p. 197

Indicator		Section name	Additional information	Page
EM-MM-150a.3	Number of tailings impoundments, breakdown by MSHA hazard potential	Appendix 2. Key sustainability data	RUSAL operates the following hydraulic engineering facilities: 28 residue storage and 5 ash-disposal areas. For the period 2018-2020 there were no changes. As for breakdown by hazard potential, the Company currently doesn't consolidate this type of data for environmental reporting, as it is not related to the Company's strategic environmental goals. In addition, hydraulic engineering facilities classification for waste disposal (ash dumps, sludge tanks, etc.) is performed in accordance with the national requirements of the regions where the Company operates.	p. 197
Impacts on biodiversity				
EM-MM-160a.1	Description of environmental management policies and practices for active sites	4.1 Management approach 4.7 Biodiversity		p. 125 p. 140
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		RUSAL's production facilities do not have acid effluents. The appearance of acidic waters is not typical for RUSAL nepheline and bauxite developed fields, since these fields do not contain sulphide-containing rocks.	
EM-MM-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat		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 and rights of indigenous peoples				
EM-MM-210a.1	Percentage of proved and probable reserves in or near areas of conflict	1.6 Supply chain	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, Burgundy, Central African Republic, Rwanda, South Sudan, Tanzania, Uganda or Zambia) is not used in the production and products of RUSAL. Also, RUSAL does not in any way contribute to armed conflicts or violations of human rights in the Conflict Areas and in the High-Risk Areas.	p. 68
EM-MM-210a.2	Percentage of proved and probable reserves in or near indigenous land	3.7 Human rights	The Company does not carry out its activities in or near land of indigenous minorities.	p. 120
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	3.7 Human rights		p. 120

Indicator		Section name	Additional information	Page
Interaction with local communities				
EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	6.1 Management approach		p. 176
EM-MM-210b.2	Number and duration of non-technical delays	1.6 Supply chain	There were no recorded facts of non-technical delays in the reporting year.	
Labor relations				
EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements	3.6 Social partnership Appendix 2. Key sustainability data		p. 118 p. 201
EM-MM-310a.2	Number and duration of strikes and mass layoffs	3.6 Social partnership		p. 118
Workforce health and safety				
EM-MM-320a.1	(1) MSHA all-incidence rate, (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	Appendix 2. Key sustainability data.		p. 206
Business ethics and transparency				
EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	1.5 Ethics and integrity		p. 63
EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	1.5 Ethics and integrity	Company does not have production from activities located in the countries with the 20 lowest rankings in Transparency International's Corruption Perception Index (CPI).	
General performance indicators				
EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	Appendix 2. Key sustainability data		p. 195
EM-MM-000.B	Total number of employees, percentage contractors	3.2 Personnel structure Appendix 2. Key sustainability data		p. 104 p. 200

APPENDIX 5. GLOSSARY

APQP	Advanced product quality planning
ASI	Aluminium Stewardship Initiative
BAT	Best available technologies
BCGI	Bauxite Company of Guyana
BEMO	Boguchany Power and Metals Complex
BIAC OECD	Business and Industry Advisory Committee to the OECD
BoAZ	Boguchansky aluminium smelter
BR	Bauxite residue
BrAZ	Bratsk aluminium smelter
BS	Business System
CAPEX	Capital expenditures
CBAM	Carbon Border Adjustment Mechanism
CBK	Kindia Bauxite Company (Compagnie des bauxites de Kindia)
CDP	Carbon Disclosure Project (A United Kingdom-based organization that supports companies and cities to uncover the environmental impact of large corporations)
CEDAW	UN Convention on the Elimination of All Forms of Discrimination Against Women
CEMRT	RUSAL Centre for Epidemic and Microbiological Research and Treatment
CEO	Chief executive officer
CISS	Centre for Innovation in the Social Sphere
Company, Group or RUSAL	United Company RUSAL Plc. and its subsidiaries from time to time, including a number of production, or trading and other entities controlled by the Company
CPLC	Carbon Pricing Leadership Coalition
CSP	Centre for Social Programmes
CSR	Corporate social responsibility
DGCS	Dry gas cleaning system
DMAICR	Define-Measure-Analyse-Improve-Control-Replicate
EITI	Extractive Industries Transparency Initiative
EPOC OECD	Environment Policy Committee to the OECD
ESG	Environmental, social, and governance

ETC	Engineering and Technology Centre
FCPA	Foreign Corrupt Practices Act
FMEA	Failure Mode and Effects Analysis
FSSC 22000	Food Safety Management Certification Scheme
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HKEX	Hong Kong Stock Exchange
HR	Human Resources
H&S	Health and safety
HSE	Health, Safety, and Environment
IAI	International Aluminium Institute
IATF 16949	International Automotive Task Force
ICC	International Chamber of Commerce – The World Business Organization
IFRS	International Financial Reporting Standards
ILM&T	Institute of Light Materials and Technologies
INRTU	Irkutsk National Research Technical University
IPCC	OECD Intergovernmental Panel on Climate Change
IrkAZ	Irkutsk aluminium smelter
ISSA	International Social Security Association
ISO 14001	Environmental management systems - Requirements
ISO 26000	Guidance on social responsibility
ISO 45001	Management systems of occupational health and safety
ISO 9001	Quality management systems – Requirements
IRSTU	Irkutsk State Technical University
IUCN	International Union for Conservation of Nature
KPI	Key performance indicator
KrAZ	Krasnoyarsk aluminium smelter

KUBAL	Kubikenborg aluminium AB
KYC	Know your customer
LCA	Low carbon aluminium
LME	London Metal Exchange
LNG	Liquefied natural gas
LTIFR	Lost Time Injury Frequency Rate
OECD	Organization for Economic Co-operation and Development
OFAC	Office of Foreign Assets Control
OHSAS 18001	Occupational Health and Safety Specification 18001
PCB	Polychlorinated biphenyls
PDCA	Plan-do-check-adjust
PPAP	Production Part Approval Process
PPE	Personal protective equipment
QAL	Queensland Alumina Ltd
QMS	Quality management system
RMC	RUSAL Medical Centre
R&D	Research and development
RSPP	Russian Union of Entrepreneurs and Industrialists
SASB	Sustainability Accounting Standards Board
SAZ	Sayanogorsk aluminium smelter
SBT	Science-based Targets
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goals
SED	System of electronic document management
SFU	Siberian Federal University
SibVAMI	Siberian Scientific Research and Design Institute of the Aluminium and Electrode Industry
SPC	Statistical process control

TAZ	Taishet aluminium smelter
TCFD	Task Force on Climate-Related Financial Disclosures
TPS	TOYOTA Production System
UAZ	Urals aluminium smelter
UN	United Nations
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UN SDGs	The United Nations Sustainable Development Goals
UNFCCC	United Nations Framework Convention on Climate Change
UNGP	United Nations Guiding Principles on Business and Human Rights
USRBC	US Russia Business Council
VAMI	Russian Aluminium and Magnesium Institute
VAP	Value-added products
VgAZ	Volgograd aluminium smelter
VRT	Variability Reduction Team
WEF	World Economic Forum

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Independent practitioner's assurance report

To the Board of Directors of UC RUSAL IPJSC

Subject matter

We have been engaged by UC RUSAL IPJSC (hereinafter 'the Company') to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, (herein 'the Engagement'), to report on UC RUSAL Sustainability Report (hereinafter 'the Report') as of 31 December 2020 or for 2020 (hereinafter 'the reporting period').

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;
- Correspondence between the Report and recommendations of the Sustainability Accounting Standards Board, recommendations of the Task Force on Climate-Related Financial Disclosures, Hong Kong Exchange Environmental, Social and Governance Reporting Guide, recommendations of the Aluminium Stewardship Initiative, and Reference Performance Indicators and Recommendations for their use for Practice Management and corporate non-financial reporting, prepared by the Russian Union of Industrialists and Entrepreneurs;
- Statements of third parties included in the Report.

Applicable criteria

In preparing the Report the Company applied Global Reporting Initiative Sustainability Reporting Standards (hereinafter 'GRI Standards') in Core option and the sustainability reporting principles of the Company as set forth in the section 'About this report' of the Report and in the notes to the text of the Report (hereinafter 'the Criteria').

The Company's responsibilities

The Company's management is responsible for selecting the Criteria, and for presenting 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.

The Practitioner's responsibilities

Our responsibility is to express a conclusion on the presentation of the Report based on the evidence we have obtained.

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 presented 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 limited assurance conclusions.

Our independence and quality control

We apply International Standard on Quality Control 1 (ISQC 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

We comply with the independence and other ethical requirements of the IESBA Code of Ethics for Professional Accountants, 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 inquiries, 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 Company sustainability policies, activities, performance and relevant reporting;

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- Obtaining understanding of the process used to prepare the information on sustainability performance indicators of the Company;
- Analysis of the Company stakeholder engagement activities via reviewing the results of the stakeholder survey and participating in stakeholder meetings;
- Analysis of material sustainability issues identified by the Company;
- Identification of sustainability issues material for the Company based on the procedures described above and analysis of their reflection in the Report;
- Review of data samples regarding key human resources, environmental protection, health and safety, and charitable activities indicators for the reporting period, to assess whether these data have been collected, prepared, collated and reported appropriately;
- Interview with executives responsible for human resources, environmental protection, health and safety at Krasnoyarsk Aluminium Smelter (RUSAL Krasnoyarsk JSC) and collection of 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 Report at the Moscow office level;
- Assessment of compliance of the Report and its preparation process with Company's sustainability reporting principles;
- Assessment of compliance of information and data disclosures in the Report with the requirements of the Core option of reporting 'in accordance' with the GRI Standards.

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 represented fairly, in all material respects, according to the Criteria.

M.S. Khachaturian
Partner
Ernst & Young LLC

21 July 2021

Details of the entity

Name: UC RUSAL IPJSC
Record made in the State Register of Legal Entities on 25 September 2020 and assigned state registration number 1203900011974.
Address: Russia 236006, Kaliningrad region, Kaliningrad, Oktyabrskaya street, 8, office 410.

Details of the independent practitioner

Name: Ernst & Young LLC
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Ernst & Young LLC is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

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