

# HUMAN FOCUS

SUSTAINABILITY REPORT | 2021



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# At a glance

## About RUSAL

GRI 102-1, GRI 102-2

**RUSAL is a leading company in the global aluminium industry using the most innovative energy-efficient technologies in its operations and the largest producer of low-carbon aluminium from renewable energy sources.**

We are a vertically integrated aluminium company with over 57,000 employees and operations in 13 countries, among them there are Russia (Krasnoyarsk, Bratsk, Tayozhniy, Shelekhov, Sayanogorsk, Novokuznetsk, Volgograd, Kandalaksha, Ukhta, Achinsk, Krasnoturinsk, Kamensk-Uralsky, Boksitogorsk, Belogorsk, Severouralsk, Mikhailovsk, Dmitrov), Kazakhstan (Ekibastuz), Australia (Gladstone), Armenia (Yerevan), Germany (Rheinfelden), Guyana (Georgetown), Ireland (Aughinish), Sweden (Sundsvall), Guinea (Kindia, Fria), Italy (Portovesme), Nigeria (Ikot Abasi), Ukraine (Nikolaev) and Jamaica (Kirkweir, Everton).

RUSAL's ordinary shares are listed on the Hong Kong Stock Exchange and the Moscow Exchange.

Sustainable development and its principles are embedded in the Company's values and purposes which, in turn, underlie its strategy. The first sustainability strategy was adopted at Rusal since 2007 and the Company has managed to reduce its carbon footprint at all production stages. RUSAL's strong focus on sustainability and devotion to seeking new environmentally friendly options has made us a leader in low-carbon metal production including our ALLOW brand. ALLOW is a low carbon aluminium that uses more than 99% hydropower in its production. Therefore, ALLOW's average carbon footprint for Scope 1 and 2 emission categories amounts to 2.4 tonnes CO<sub>2</sub>e per tonne of aluminium<sup>1</sup>. RUSAL conducts an annual assessment of the Company's carbon footprint, which is annually verified by independent organisations.

## RUSAL's products

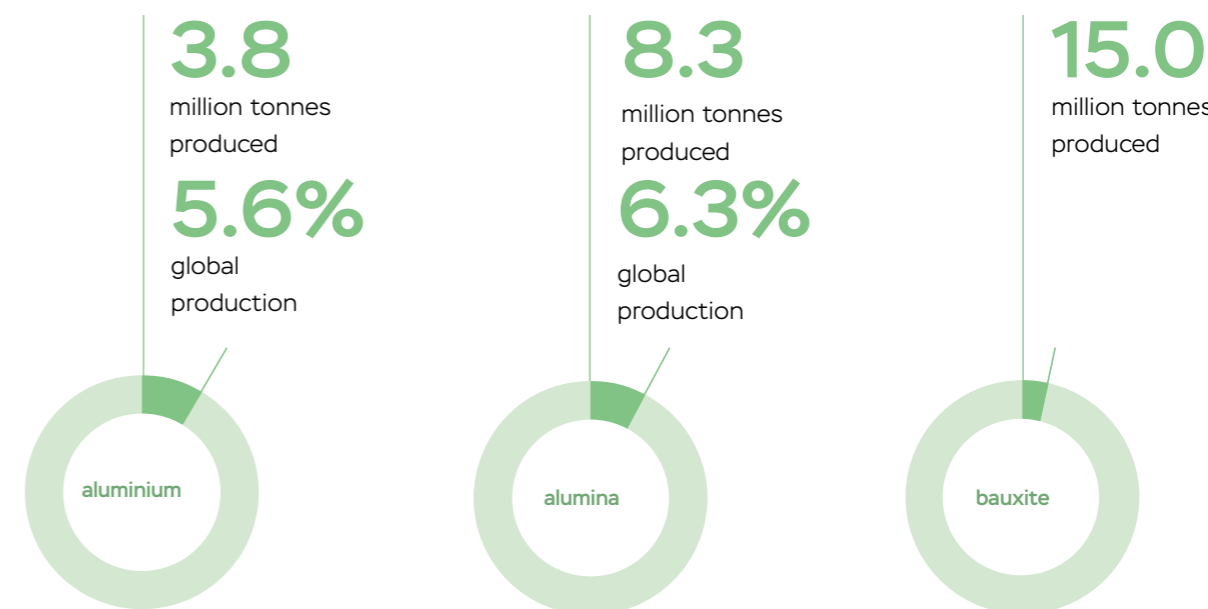
GRI 102-2

RUSAL produces a wide range of products, including those with high added value (aluminium sheet ingots (slabs), wire rods, casting alloys, billets, etc.). Despite the economic turbulence and unprecedented challenges caused by the COVID-19 pandemic, RUSAL was able to redesign its business processes and still

increased its profit from high value-added products sales to 52% in 2021 (from 44% in 2020).

On top of that, RUSAL launched ScAlution, a new brand for its aluminium-scandium production, in 2021.

## 2021 – key production figures<sup>2</sup>



~99%

clean and renewable hydropower used for aluminium production<sup>2</sup>

2.4 t

CO<sub>2</sub>e / t Al carbon footprint for ALLOW brand (Scope 1 and 2, at smelter)<sup>1</sup>

## Recognition from the expert community



In 2021, RUSAL has reassured its strong position as a leader in the global aluminium industry receiving an «A-» rating.



In 2021, certification audits according to ASI standards were carried out at 4 more RUSAL aluminium sites – the Kandalaksha aluminium smelter, the Sayanal and Armeal aluminium foil plants (Armenia), as well as Europe's largest alumina refinery Aughinish (Ireland). In January 2022, these assets were included in the certification scope of RUSAL. Thus, the number of RUSAL sites certified under the ASI standards has reached 13. The new ASI certified production sites include:

- Kandalaksha aluminium smelter;
- Sayanal and Armeal aluminium foil plants (Armenia);
- Aughinish alumina refinery (Ireland).

**RUSAL's operations that received the Aluminium Stewardship Initiative (ASI) certification earlier:**

- Boguchansky aluminium smelter (BoAZ);
- Bratsk aluminium smelter (BrAZ);
- Krasnoyarsk aluminium smelter (KrAZ);
- KUBAL (Kubikenborg Aluminium I Sundsvall AB (Sweden);
- Sayanogorsk aluminium smelter (SAZ);
- RUSAL's headquarter;
- Boksit Timana (bauxite mining);
- Urals aluminium smelter (UAZ alumina refining);
- Irkutsk aluminium smelter (IrkAZ).



**EcoVadis Sustainability rating 2021**

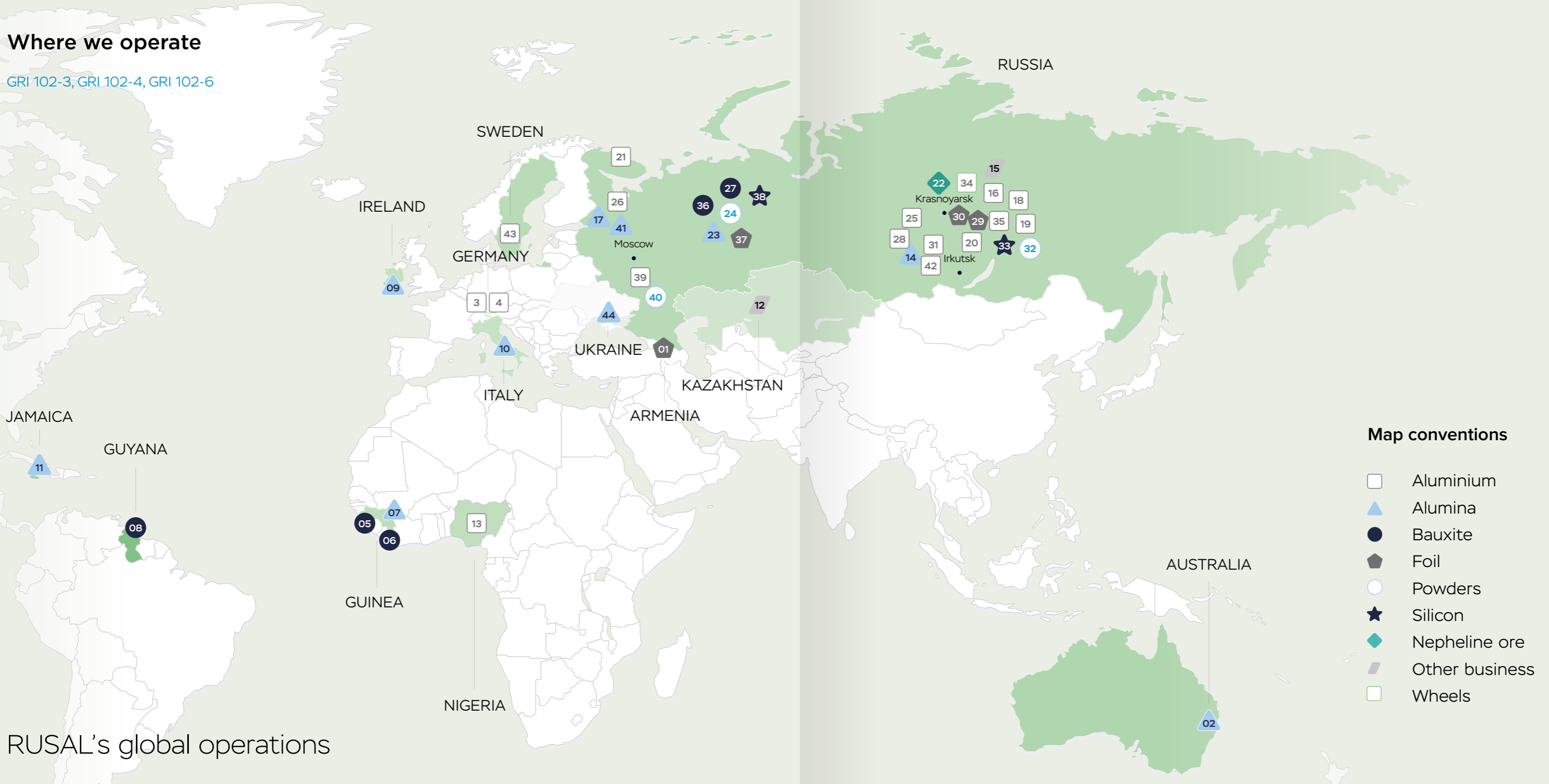
RUSAL improved its Sustainability performance and was awarded a silver medal in the EcoVadis Sustainability rating 2021.

<sup>1</sup> 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 the global average indicator is IAI data, 2018.

<sup>2</sup> In the structure of the energy mix of RUSAL aluminium plants.

# Where we operate

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



### Map conventions

- Aluminium
- ▲ Alumina
- Bauxite
- ◆ Foil
- Powders
- ★ Silicon
- ◆ Nepheline ore
- Other business
- Wheels

## RUSAL's global operations

**Our headquarters are located in Russia – in Moscow and Kaliningrad.**

There are 44 companies operating across five continents and in 13 different countries.

#### ARMENIA

01 Armenal

#### AUSTRALIA

02 Queensland Alumina Ltd

#### GERMANY

03 Aluminium Rheinfelden Alloys, Semis  
04 Aluminium Rheinfelden Carbon

#### GUINEA

05 Compagnie des bauxites de Kindia (CBK)  
06 Dian Dian Project  
07 Friguia Bauxite & Alumina Complex

#### GUYANA

08 Bauxite Company of Guyana (BCGI)

#### IRELAND

09 Aughinish Alumina

#### ITALY

10 Eurallumina<sup>3</sup>

#### JAMAICA

11 Windalco

#### KAZAKHSTAN

12 LLP Bogatyr Komir<sup>4</sup>

#### NIGERIA

13 ALSCON<sup>5</sup>

#### RUSSIA

14 Achinsk Alumina Refinery  
15 Boguchanskaya HPP (BEMO)<sup>5</sup>  
16 Boguchansky Aluminium Smelter (BEMO)  
17 Boksitogorsk Alumina Refinery  
18 Bratsk Aluminium Smelter  
19 Irkutsk Aluminium Smelter  
20 Kamensk-Uralsky Alumina Refinery  
21 Kandalaksha Aluminium Smelter  
22 Kia-Shaltyr Nepheline Mine  
23 Krasnoturyinsk Alumina Refinery

24 Krasnoturyinsk Powder Metallurgy  
25 Krasnoyarsk Aluminium Smelter  
26 Nadvoitsy Aluminium Smelter  
27 North Urals Bauxite Mine  
28 Novokuznetsk Aluminium Smelter  
29 Sayana Foil  
30 SAYANAL  
31 Sayanogorsk Aluminium Smelter  
32 Shelekhov Powder Metallurgy  
33 Silicon (ZAO Kremniy), Shelekhov  
34 SKAD wheels factory  
35 Taishet Aluminium Smelter  
36 Timan Bauxite  
37 Urals Foil

38 Urals Silicon  
39 Volgograd Aluminium Smelter  
40 Volgograd Powder Metallurgy  
41 Pikalevo Alumina Refinery  
42 Khakas Aluminium Smelter

#### SWEDEN

43 KUBAL

#### UKRAINE

44 Nikolaev Alumina Refinery

<sup>3</sup> Production is suspended.  
<sup>4</sup> Joint venture

<sup>5</sup> Production is suspended.

# Message from the Chairman

GRI 102-14



**Dear distinguished stakeholders,**

It is my pleasure to introduce our 2021 Sustainability Report to you. The world is facing extraordinary challenging times today. The global economy is under tremendous pressure, supply chains are congested and it could be easy to put the ESG agenda onto the back burner. However, we believe that businesses cannot continue to prove their resilience and agility while dropping sustainability principles. Whatever the backdrop – from pandemic to armed conflict, let me assure you that now is exactly the time to take meaningful, real-world action in the fight against climate crisis before it is too late. Last year saw RUSAL making a serious commitment to achieve Net Zero by 2050 and to reduce greenhouse gas emissions by at least 35% by 2030, and we will definitely keep moving forward on our climate agenda even when faced with new challenges.

Low-carbon aluminium is one of those materials that is already playing and will play a profound role in building future-fit, low carbon and circular economy. In fact, by 2030, the global primary aluminium market is set to grow by 33 million tonnes, led by the transportation, packaging, and infrastructure sectors, which combined, will achieve an average compound growth rate of 3%. Without low-carbon aluminium, manufacturers of such products will be unable to achieve their net zero goals. RUSAL's progress in the past decade has positioned the Company well to be the supplier of choice of low carbon aluminium that adheres to the highest environmental standards. The key to this is technological innovation, which keeps us well ahead of other peer companies.

Last year RUSAL started test deliveries of a completely new product – aluminium produced by a revolutionary technology based on inert anodes. Combined with

I am confident that our multinational, determined and dedicated team of people will ensure that RUSAL keeps being a strong, reliable and sustainable company for all of our stakeholders.

renewable hydropower, inert anode technology now provides an unprecedented low carbon footprint in metal production. This process, which produces metal with purity higher than 99%, has an additional breakthrough benefit – the release of pure oxygen.

Our sustainability strategy is aimed at building a multi-stakeholder model addressing the needs and expectations of our key stakeholders – including not only investors or shareholders. It is also the team members, suppliers and customers, furthermore it is a key for local communities, and the planet. We believe that partnership and collaboration is key to the progress towards achieving the Sustainable Development Goals and building a better future. We are committed to working closely with various local and international stakeholders and to sharing our vision and insights for the collaborative development of potential solutions to the world's economic, social and environmental challenges.

Thanks to its strategic vision and passionate leadership, RUSAL is not only one of the top aluminium suppliers globally but has found itself in the role of a pioneer many times. RUSAL was one of the first global and Russian companies to join the UN Global Compact as early as 2002, to have launched its annual non-financial reporting discipline as early as 2005, and to have published its first set of climate goals as early as 2007 (well before the Paris Agreement adopted in 2015).

We are proud to announce that in 2021 we were able to keep our position as a global leader in the aluminium industry being listed amongst the top 100 Best Emerging

Markets performers by Vigeo Eiris, an accolade awarded to international businesses with best-in-class sustainability credentials. RUSAL's sustainability and climate performance are widely recognized with reliable global and national ratings like e.g. CDP Climate (A-, highest across the aluminium sector, 2021), Forbes Russia's 2021 Top Employer Rating ("gold", highest across the mining and metallurgy sector), or EcoVadis Sustainability Rating ("silver", or top 25% of the global suppliers, 2021).

Implementing ASI (Aluminium Stewardship Initiative) Standards that cover the entire value chain – from ore mining to aluminium production – is one of RUSAL's tools for adapting the best world practices of sustainable development. By the end of 2021, four more production sites have achieved ASI certification, bringing the total number of ASI-certified production facilities in the RUSAL business up to 13. We plan to further expand the number of our production facilities aligned with ASI standards, satisfying the growing demand for products manufactured in accordance with the principles of sustainable development.

The world is constantly transforming and again we will strive for the strength and resilience to continue our journey. I am confident that our multinational, determined and dedicated team of people will ensure that RUSAL keeps being a strong, reliable and sustainable company for all of our stakeholders.

**Bernard Zonneveld**  
Chairman of the Board

# Message from the General Director

GRI 102-14, HKEX Para 10, 13



Dear friends,

The world we live in is constantly changing. While last year was fraught with uncertainties. This year brings new challenges that we never had to face before. Geopolitical turbulence, with its obvious impact on the global economy, is imposing its conditions. However, we never lose sight of how vulnerable our planet is, and how vital are our responsibilities towards present and future generations. These ideas underpin our sustainability strategy.

RUSAL is fully committed to supporting its international team as well as honouring its obligations as a reliable employer. The health and well-being of our employees are at the core of our sustainable development agenda. We also continue to support local communities in the regions of where the Company operates - this includes Ukraine, where the Nikolaev Alumina Refinery is located. We suspended its operation due to recent tragic events, aiming above all to guarantee the safety of the refinery team.

Last year, as the COVID-19 crisis worsened all over the world, RUSAL implemented more stringent health and work safety policies across its operations. We have contributed to the fight against the disease, providing our employees across the world with vaccines. More than 13,000 people have received medical care at special regional medical centres opened by the Company in the midst of the pandemic.

At the beginning of 2021, we launched our Net Zero strategy to achieve carbon neutrality by 2050 and published a road map encompassing all the Company's target operations. Today, even in these unprecedented times, further transformation of our business remains at the heart of our ESG strategy. The objective

of this transformation is to create a new asset class for the aluminium industry that will be compatible with the low-carbon economy of the future and set us on track to achieving carbon neutrality.

These changes have also prompted us to overhaul our corporate structure. Last year, we established a Sustainable Development Directorate that took on the functions of environmental and climate regulation, health, safety and environment management, social responsibility policies, non-financial reporting and ESG transformation management.

In 2021, we opened the first phase of one of the world's most technologically advanced aluminium smelters – the Taishet Aluminium Smelter (TaAZ), located in the Irkutsk Region. The facility runs on clean energy, provided by Siberian hydropower. Thanks to cutting-edge gas treatment systems and a smelter-wide water recycling system, the refinery has the lowest possible environmental impact. Furthermore, RUSAL has also announced an ecological modernization project for its key aluminium smelters in Siberia, which will fundamentally reduce the environmental footprint and improve the quality of life in the cities where these facilities are located.

I would like to thank all RUSAL team members for the time and effort they have invested in maintaining our position as a leading supplier of low-carbon aluminium through these difficult times. We will continue to improve our sustainability performance and deliver on our strategic goals and commitments.

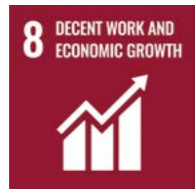
**Evgenii Nikitin,**  
General Director

Geopolitical turbulence, with its obvious impact on the global economy, is imposing its conditions. However, we never lose sight of how vulnerable our planet is, and how vital are our responsibilities towards present and future generations. These ideas underpin our sustainability strategy.

# 01.

## RUSAL'S SUSTAINABILITY STRATEGY

Global sustainable development goals



# ALIGNING GOALS

# 1 RUSAL's Sustainability strategy

GRI 103-2, GRI 102-16



As one of the largest aluminium producers in the world, RUSAL has always acknowledged its influence on the environment and the society, as well as the essentials of sustainable development, i.e. meeting the needs of present and future generations by providing sustainable resource base for the business and creating a long-term sustainable competitive advantage for the Company in the market. Therefore, across all our business operations, RUSAL oversees its impact on the environment, the society, and the interests of all groups of stakeholders.

Since early 2000s the Company has been devoting its efforts to preventing the effects of climate change. In 2007, RUSAL developed the Safe Future Strategy initiative aimed at reducing its impact on the atmospheric air and on the climate. As part of this initiative, the Company's climate change goal was to achieve by 2015 an overall reduction in direct greenhouse gas emissions from existing aluminium smelters by 50% compared to 1990. In 2014, the goal was achieved, and the Company managed to reduce its carbon footprint by 53%. Further, climate goals were approved, with a reduction up to 2025 compared to 2014. The prerequisites for revising the ESG strategy to 2030 were to ensure in-depth information disclosure in corporate non-financial reporting, especially of those topics that are essential for sustainable business development and its internal corporate procedures and systems along with strengthening the Company's position in the leading ESG ratings.

In light of the growing interest of global community in the ESG agenda, RUSAL has reviewed its sustainability approach and updated its priority goals (including key transformational and adaptation ESG projects aimed at achieving the goals). The revised strategy takes into account the newly adopted strategy of En+ Group intending to become a carbon neutral business by 2050. In turn, RUSAL's updated strategy is also aimed at reducing carbon footprint from the operations, enhancing the living standards and sustainability performance in the regions of presence and improving adherence to the ESG protocols and corporate management practices in the medium term.

Sustainability principles not only underpin the Company's strategy and set the course for further development, but also form the core of the Company's corporate values.

## 1.01. Our values

GRI 102-16

- Respect for 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 and salary 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 enables us to delegate authority and responsibility for making and implementing decisions.

RUSAL was one of the first Russian companies to join the UN Global Compact in 2002 and one of the companies that showed active support to the adoption of the United Nations (UN) Sustainable Development Goals (SDGs) at the UN level in 2015. Therefore, the Company puts great effort to integrate sustainability principles into its own operations and to improve industry-wide practices. This approach makes a significant contribution towards achieving the following sustainable development goals.

With the updated approach to measuring the impact of the Company's social programmes, we believe it is reasonable to include **SDG 11 – Sustainable cities and communities** – as one of the priority goals in the revised strategy. It will be covered by non-financial reporting starting from 2022.

The Company acknowledges that adhering to the commitments of the Paris Agreement and supporting the UN SDGs will help to achieve its strategic goals and improve business performance. Therefore, the Company's revised strategy and targets have been developed in line with the UN SDGs.





# 1.02. New 2022–2030 RUSAL Sustainability Strategy and Targets

**E ENVIRONMENTAL**

One of the Company's priorities in ESG is to make a transit to "green production and green products" which will result in becoming 100% compliant with the regulatory requirements by 2030 as well as to become environmentally transparent. To facilitate achievement of these ESG goals, RUSAL has developed seven sustainable environmental projects divided into two categories: adaptation (high priority) and transformational.

**ADAPTATION PROJECTS**  
(primarily focuses on preventing risks related to terminating production activities or additional costs)

<b>AIR</b> Goal: Regulatory air quality	the aims is: to ensure the volume of the Company's emissions is in compliance with the regulatory requirements as established by law (which implies a 100% reduction in above-limit emissions into the atmosphere) by 2025; to ensure the regulatory air quality and risk tolerance of the content of priority substances for public health, including the territories where the company operates by 2030.
<b>WATER</b> Goal: Closed water cycle systems for the main production processes	the aim is: to use the share of circulating water supply in the main production processes up to 100% by 2025.
<b>WASTE</b> Goal: Safe disposal of non-recyclable waste	the aim is: to reduce to a minimum the volume of generated waste and to ensure safe disposal of 100% waste which is not subject to economic turnover and recycling by 2030
<b>LAND</b> Goal: Recultivation of degraded land	the aim is: to ensure the fulfilment of the obligations to recultivate degraded lands, including decommissioned waste disposal facilities, implying the best available technologies, by 2030

**TRANSFORMATIONAL PROJECTS**  
(focused on embedding new, emerging opportunities to ensure business growth (including new market segments) and enhance the Company's credibility with stakeholders)

<b>CLIMATE</b> Goal: Low-carbon aluminium	the aim is: to continue decarbonise manufacturing processes based on best available technologies by 2030, at a volume and pace that creates a solid foundation to achieve carbon neutrality by 2050.
<b>CIRCULAR ECONOMY</b> Goal: Closed-loop recycling	the aim is: to get at least 15% of alumina production waste and at least 95% of aluminium and silicon production waste involved in the economic turnover and recycling, as well as to ensure that at least 20% of the aluminium consumption waste is returned to the loop-cycle by 2030.
<b>Goal: Biodiversity conservation and quality of ecosystem services</b>	the aim is: to ensure a holistic approach to the biodiversity conservation and support to priority ecosystem services through the implementation of its own programmes for the biodiversity conservation and the quality of ecosystem services at all production enterprises of the Company, assessing its compliance in accordance with ASI standards, by 2030.

**S SOCIAL**

Another Company's priority is to increase the positive impact of business on the well-being of an individual and society which results in creating jobs and living environments by 2030 that meet the expectations of a new generation of employees as well as comply with sustainable development standards. To facilitate achievement of these ESG goals, RUSAL has developed three sustainable projects divided into two categories: adaptation (high priority) and transformational.

**ADAPTATION PROJECTS**

<b>HEALTH AND SAFETY</b> Goal: Safe working conditions for all employees and the main contractor	the aim is: to provide a safe working environment for employees and main suppliers with an 75% reduction in the frequency of occupational injuries and zero level "A" fatal injuries, accidents, and fires at work by 2030.
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**TRANSFORMATIONAL PROJECTS**

<b>EQUAL OPPORTUNITY</b> Goal: Dream job for new generations	the aim is: to gain the status of the 'Top employer for young generation' by creating a value proposition based on the principle of equal opportunities for employees of any gender, age and background.
<b>QUALITY OF LIFE</b> Goal: Sustainable development in the regions of operation	the aim is: to allocate 100% of social investments based on the methodology of the Sustainable Urban Development Index with measurable indicators of improved living standards as compared to other regions.

**G GOVERNANCE**

The third Company's priority is to improve the quality of corporate governance and ensure long-term economic efficiency which results in creating the infrastructure for making 100% of decisions based on big data analytics (data driven) and accrediting suppliers of 100% of raw materials, finished products, and services as compliant with the ESG criteria. To facilitate achievement of these ESG goals, RUSAL has developed three sustainable projects divided into two categories: adaptation (high priority) and transformational.

**ADAPTATION PROJECTS**

<b>SUPPLY CHAIN</b> Goal: Sustainable supply chain of raw materials, goods, and services	the aim is: to form a sustainable ethical system for supplying raw materials, end products, and services based on our own accreditation, assessment and audit system in compliance with the ESG criteria to cover the top 200 suppliers by 2025 and 100% of suppliers by 2030.
<b>OPENNESS AND CONSISTENCY</b> Goal: Recognition of compliance and leadership in the leading ESG ratings	the aim is: to ensure that the Company's practices are consistently recognised as compliant with the best ESG standards and the Company holds leadership in the global ESG agenda in the best international and local ESG ratings among the top 10 by 2025 and the top 3 by 2030.

**TRANSFORMATIONAL PROJECTS**

<b>TRACEABILITY</b> Digital data at the core of all decisions related to the ESG transformation	the aim is: to create a single digital perimeter for the Company's ESG data with the subsequent integration of 100% ESG indicators into a single information platform that provides decision-making in the field of the ESG transformation based on big data (data driven).
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To facilitate project implementation, RUSAL has developed roadmaps and set specific metrics and KPIs for 11 out of 13 projects. The next step is to form full-fledged cross-functional project teams and public expert councils for each project, by 2030. In addition, the ESG targets are incorporated into and linked to the remuneration system. The Company's remuneration system implies setting and accomplishing corporate-wide key performance indicators (KPIs) at the Company's level and personal (for General

Directors) KPIs. The General Director KPIs also comprise indicators aimed at accomplishing sustainable development goals. As at the beginning of 2022, the remuneration systems include the KPIs for 11 out of 13 priority ESG projects. The achievement of these KPIs is assigned to the Director for Sustainable Development, and the fulfilment of the 65% of KPIs is integrated in the remuneration programme for the General Director and the directors (members of the Executive Committee) in other areas.

# 1.03. Factors essential for sustainable business development

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

Defining its corporate strategy, RUSAL relies on the active engagement of its stakeholders – local and expert communities, business partners and associations, employees, and trade unions – who influence the sustainability of the Company's business model. Addressing interests and regular feedback contributes not only to high operational results, but also to the well-functioning of the entire social environment and, ultimately, to the well-being of society. Stakeholder groups were identified based on their impact on the Company's operations and results, the regularity of communications and their mutual importance to RUSAL.

The Company builds its communication with stakeholders based on the principles of equality, transparency, open access, and readiness for a mutually beneficial dialogue.

The key instruments that regulate RUSAL's relations with its stakeholders are the Code of Corporate Ethics and the Business Partner Code.

# 1.04. Methods of stakeholder engagement

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

## Customers and suppliers

Key topics	How we engage
<ul style="list-style-type: none"> <li>– Sustainable supply chain</li> <li>– Transparent, open, and lean procurement procedures</li> <li>– Mutually beneficial and equitable relations</li> <li>– Product quality management</li> </ul>	<ul style="list-style-type: none"> <li>– Conducting seminars and meetings with clients (as required)</li> <li>– Tender and procurement plans (as required)</li> <li>– Vendor training events (a continuous process)</li> <li>– Prompt complaints procedures (weekly)</li> <li>– Contractual relationships</li> <li>– Regular feedback from clients on sustainability issues (upon receipt)</li> <li>– Continuous improvement of processes in customer relations</li> </ul>

## Shareholders and investors

Key topics	How we engage
<ul style="list-style-type: none"> <li>– Strategic business planning</li> <li>– ESG transformation</li> <li>– Optimisation of management processes</li> <li>– Operational results</li> <li>– Risk-based approach to</li> </ul>	<ul style="list-style-type: none"> <li>– Disclosure of financial statements, annual reports, and ESG-related information in accordance with the international standards and practices</li> <li>– Regular online meetings with minority shareholders</li> <li>– Annual general meeting of shareholders</li> </ul>

## Employees and trade unions

Key topics	How we engage
<ul style="list-style-type: none"> <li>– Respect for employee rights</li> <li>– Competitive remuneration and employee welfare</li> <li>– Comfortable and safe working conditions</li> <li>– Development of human capital</li> <li>– Employee health and support during the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>– Collective agreements (once every three years) and reports on their performance (annually)</li> <li>– Informing through corporate magazine (monthly) and social media</li> <li>– General meetings with leadership and management online (at least twice a year)</li> <li>– Assessment of hotline reports (a continuous process)</li> <li>– Participation in reputation studies (annually)</li> <li>– Supporting volunteerism and private initiatives by employees (periodically)</li> <li>– Conducting activities that help to unleash the creative and sporting potential of employees (periodically)</li> <li>– Internal training and Corporate University</li> </ul>

## Federal and regional authorities

Key topics	How we engage
<ul style="list-style-type: none"> <li>– Tax payments and social investment</li> <li>– Compliance with legislation and advancement of the legal and regulatory framework</li> <li>– Ensuring the prosperity of the regions where the Company operates</li> <li>– Promoting employment and supporting entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>– Participatory planning practices (public hearings, consultations), primarily on the location of production facilities (a continuous process)</li> <li>– Engagement with public authorities in ensuring proper legislation and regulation (a continuous process)</li> <li>– Establishment of agreements with public authorities on socio-economic issues</li> <li>– Corporate social responsibility and regional development projects</li> </ul>

## Local communities

Key topics	How we engage
<ul style="list-style-type: none"> <li>– Ensuring the prosperity of the regions where the Company operates</li> <li>– Promoting human rights</li> <li>– Social investment and charity</li> <li>– Supporting humanitarian efforts of activists and citizen groups</li> <li>– Sustainable urban transformation</li> <li>– Addressing the impact of the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>– Participatory planning practices (public hearings, consultations), primarily on the location of production facilities (a continuous process)</li> <li>– Support for humanitarian projects and grant competitions for public initiatives</li> <li>– Establishment of agreements with public authorities on socio-economic issues</li> </ul>

# 1.05. Materiality assessment

GRI 103-1, GRI 102-46, GRI 102-47, GRI 102-49

The Report was compiled based on the expectations of the Company's stakeholders on issues that represent business-relevant sustainability topics. In 2021, a three-step approach to identifying the most relevant material topics was repeated, making it possible to produce a useful and comprehensive report for stakeholders.

The materiality assessment was conducted in accordance with the requirements of international standards. As part of the study, a list of material topics was agreed and a materiality matrix was developed.

## 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
<ul style="list-style-type: none"> <li>Content analysis of stakeholder communications for material topics</li> <li>Exploring the latest practices in business development disclosure</li> <li>Overview of material topics disclosed in public reports of peer companies</li> <li>Review of material aspects proposed for disclosure by industry associations (including ASI Standards)</li> <li>Drawing up a preliminary list of material topics in accordance with international standards and practices following the interaction with the Company's stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Comparison of the results of the internal and external stakeholder surveys</li> <li>Analysis of requests of key investors and rating agencies concerning sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Consultation on and approval of the list of material topics by the Company's working group on the Report</li> </ul>
Drawing up a preliminary list of material topics	Updating the list of material topics	Approval of the list of material topics to be included in the Report

GRI 102-49

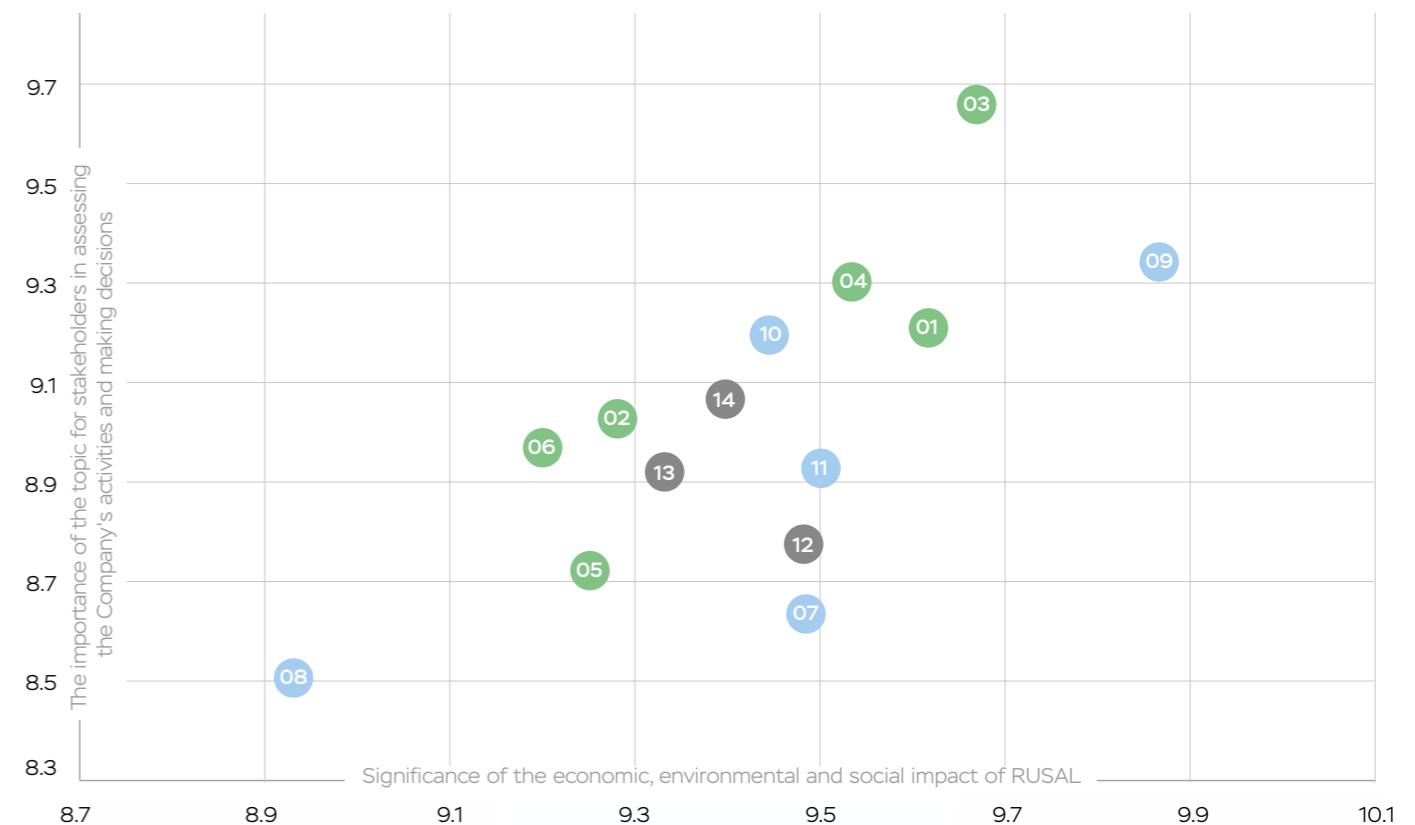
During the preparation of the Report, there were no significant changes in the report boundaries and the list of material topics as compared to the 2020 Report. Some topics were reformulated and merged for better coverage of the topics in question.



# 1.06. Stakeholder survey

A sample of stakeholders was formed to conduct a survey as part of the methodology for identifying material topics, which included the following groups: our shareholders, investors, analysts, customers, suppliers, employees, trade unions, federal and regional authorities, NGOs, and local communities.

Respondents from these groups were asked to identify the topics that have the greatest impact on their activities on a scale of 1 to 10, where 1 stands for the least important and 10 stands – for the most important one. A total of 149 respondents took part in the survey including 89 external stakeholders.



## 1.07. Association and international initiatives membership

GRI 102-12, GRI 102-13

As one of the world's leading low-carbon aluminium producers, RUSAL pays great attention to establishing partnerships with industrial, international, and national associations and participating in their initiatives.

This gives the Company an opportunity to build an effective and efficient communication strategy on important issues within the industry, and to participate in the discussion and resolution of acute environmental and socio-economic problems. In 2021, the Company was a member of the following associations and initiatives:

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

RUSAL is committed to maintaining active communication on ESG-related issues. For this reason, the Company takes part in industry and specialised events, including those in the field of sustainable development.

**Despite the restrictions in the first half of 2021 associated with the spread of COVID-19, RUSAL representatives took part in the following events, either offline and online:**

- the 26th UN Climate Change Conference (COP26) (Glasgow)
- ICC Make Climate Action Everyone's Business Forum (virtual climate forum in the framework of the COP26)
- Net Zero Climate Summit of the Russian Climate Partnership (Moscow)
- The 13th Harbor the Global Aluminium Summit (Chicago)
- Russian-French Forum on Sustainable Development (Paris - Moscow)
- A Green Deal for Sustainable Resources: World Resources Forum (WRF), (Zurich)
- The Russian Union of Industrialists and Entrepreneurs (RSPP) Climate Forum: "Challenges, risks and points of growth for Russian business in the context of the global climate agenda" (Moscow)
- Forum "Visioners" (Moscow)
- Forum "ESG (R) EVOLUTION" (Moscow)
- Forum "Challenges 2030" (Moscow)
- AlumForum2021 "Aluminium in architecture and construction"
- the Eastern Economic Forum in Vladivostok
- RosUpack 2021, the 25th International Packaging and Labelling Exhibition.

## 1.08. Main achievements in 2021

Apart from developing Sustainable Development Strategy and revising the Company's strategy, RUSAL has devoted a great deal of effort to making meaningful contribution to achieve the UN Sustainable Development Goals. The Company participated and worked in coherence within its partnerships and working groups where it strengthened its positions as a leading company embedding the ESG principles into business operations.

In 2021, RUSAL continued and enhanced its contribution within the UNFCCC, ICC, IPCC, OECD, G20, and others. Within each of those partnerships, the Company made proposals that were considered by working groups. For instance, the proposals of the RUSAL's representative were considered within the framework of the updated ICC Carbon Pricing Principles (2021). In addition, RUSAL also attended and took an active part in the 26th UN Climate Change Conference in November, where the Company brought attention to the risks that aluminium industry faces in transition to net zero and discussed how technological barriers holding the progress might be overcome. The Company's recommendations were included in the official position of the Russian delegation at COP26. The Company

emphasised the importance of taking the specifics of boreal forests into account when developing forest-related climate projects. Moreover, RUSAL took part in a series of informal events held during COP26 by arranging a series of sessions together with En+ Group.

Besides, RUSAL took part in the Eastern Economic Forum in Vladivostok where, together with other ESG leaders, it proposed to create the ESG Alliance. The purpose of this partnership is to unite the efforts of the ESG leaders and promote transition to a sustainable economic development model ensuring biodiversity conservation, improving living standards and creating value for businesses.

# 1.09. Aluminium Stewardship Initiative



13 production facilities of the Company are certified according to ASI standards, including 7 aluminum smelters

The Aluminium Stewardship Initiative (ASI) Performance and Chain-of-Custody standards are the only recognised sustainability standards for the aluminium value chain. They are intended to foster better sustainability practices across the whole supply chain. RUSAL joined the initiative in 2015; ever since, the Company has made a meaningful contribution to embedding and promoting the ASI standards.

The ASI certification covers the full spectrum of ESG aspects. The ASI Performance Standard requirements cover 11 groups of criteria, such as business ethics and governance, environmental performance, human rights and social practices. The ASI Chain of Custody Standard is designed to help companies in the aluminium industry to provide their customers and stakeholders with an

independent guarantee of responsible production and supply. Since 2019, RUSAL has consistently included its assets in the area of ASIA certification.

In 2021, RUSAL assessed four production sites to confirm its compliance with the ASI Standard - the Kandalaksha aluminium smelter, two aluminium foil plants, the Sayanal and Armenal (Armenia), and Europe's largest alumina refinery as well as Europe's largest alumina refinery Aughinish (Ireland). In January 2022, these assets were included in the scope of RUSAL certification. Thus, the number of RUSAL sites certified according to ASI standards reached 13. The Company plans to continue certification of its production sites. The audit is performed by an independent accredited company DNV GL. RUSAL is one of the world's largest ASI certified aluminium producers.

# 1.10. Merging business sustainability priorities and SDGs

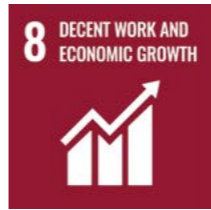
GRI 102-12

RUSAL's strategic planning relies on the achievement of all the 17 Sustainable Development Goals approved by the United Nations for a better life for future generations.

Given the specific nature of the Company's operations, the greatest contribution is made to the achievement of seven SDGs: good health (SDG 3), decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), responsible consumption and production (SDG 12), climate action (SDG 13), life on land (goal 15), and partnerships for the goals (SDG 17).

RUSAL's priority Sustainable Development Goals and the progress made in 2021 towards ensuring the well-being of future generations are presented in the table below. More details on the Company's performance in achieving these SDGs can be found in this Report via the links provided in the table.

## Priority SDGs and inputs into achieving them:

	Our contribution	Achievements 2021	Material topics
 <p>See chapters Health and safety p. 92; Developing local communities, p. 102</p>	<ul style="list-style-type: none"> <li>- Promoting public health through equitable access to skilled primary health care</li> <li>- Controlling socially significant diseases (AIDS, tuberculosis, malaria, tropical diseases, and other infectious diseases) through universal access to safe and effective medicines and vaccines</li> <li>- Supporting research and development of vaccines and drugs to treat infectious and non-communicable diseases</li> </ul>	<p><b>RUB 8 billion</b> spent on the fight against COVID-19 pandemic and on the support for the healthcare system</p> <p><b>17% reduction</b> in the LTIFR (LTIFR - 0.15)</p> <p><b>USD 12.5 million</b> allocated for construction and equipment of health centres</p> <p><b>Sputnik-V</b> vaccines supplied to Guinea</p>	<ul style="list-style-type: none"> <li>- Health and safety</li> <li>- Local communities</li> </ul>
 <p>See chapter Employees, p. 74</p>	<ul style="list-style-type: none"> <li>- Increasing business sustainability through the development of a productive culture, lean use of resources, innovation, and a comfortable working environment, especially in high value-added and labour-intensive sectors</li> <li>- Reducing marginal environmental impact through sustainable production along the entire value chain and supplier accreditation</li> <li>- Reducing the number of young people that do not work, study, or acquire professional skills</li> <li>- Promoting safe and secure working conditions for all workers and protecting labour rights</li> </ul>	<p><b>10,508 employees</b> received training as part of professional development in the Company</p> <p><b>84.6%</b> of employees were covered by collective agreements</p> <p><b>54.5%</b> of female specialists</p> <p><b>612 messages</b> received via the SignAL hotline</p>	<ul style="list-style-type: none"> <li>- Human resource engagement</li> <li>- Social and cultural diversity and equal opportunity</li> <li>- Compliance and anti-corruption</li> <li>- Ethics and human rights</li> <li>- Contribution to economic sustainability and development</li> <li>- Sustainable supply chain and local supplier engagement</li> <li>- Compliance and anti-corruption</li> <li>- Local communities</li> </ul>



See chapter Developing local communities, p. 102

- Promoting the well-being and resilience of local communities through social investment in accessible and quality health care and education, and unleashing human potential in creativity, sport, and other areas
- Supporting vulnerable groups and people through difficult situations
- Promoting solidarity measures for a more equal and just society
- Promoting sustainable urban transformation through participatory practices and based on the comfort of living, accessibility and high quality of public infrastructure, transport, and social services

**USD 45.12 million**  
spent on social programmes and charity

**RUB 2.33 billion**  
spent on the Sustainable Development of Responsible Areas programme

**1,238 participants**  
in the School of Urban Change programme

- Social and cultural diversity and equal opportunity
- Local communities



See chapters Environmental protection, p. 30; Climate change and energy, p. 54

- Responsible environmental management based on strict compliance with legal requirements and the interests of residents in the areas of operation
- Widespread promotion of a circular economy based on the reduction, recycling, and reuse of waste
- Comprehensive and transparent disclosure of resource management and specific production methods

**↓ 24.5%**  
industrial wastewater discharge

**91.5%**  
of circulating and recycled water supply

**82.1%**  
of RUSAL's production waste is recycled internally or transferred for recycling or disposal<sup>6</sup>

- Climate change
- Energy transition to sustainable sources
- Water and wastewater management
- Land use and biodiversity
- Air quality
- Safe management of tailings and waste



See chapter Climate change and energy, p. 54

- Monitoring and reducing direct and indirect energy greenhouse gas emissions
- Increasing the Company's flexibility and the ability to adapt to climate hazards and natural disasters

**↓ 11.6%**  
direct specific greenhouse gas emissions<sup>7</sup> compared to 2014

**↓ 4.2%<sup>8</sup>**  
average specific electric power consumption compared to 2011

- Air quality
- Climate change
- Energy transition to sustainable sources



See chapters Environmental protection, p. 30; Climate change and energy, p. 54

- Conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems
- Introducing methods to foster sustainable use of all types of forests, restore degraded forests, and significantly expand afforestation and reforestation
- Implementation of measures to curb the degradation of natural habitats and protect biological diversity

**USD 138 million**  
spent on environmental protection

**2.2 times**  
increase in the total area of rehabilitated land

**505 thousand hectares**  
of taiga covered by fire safety monitoring

- Water and wastewater management
- Land use and biodiversity
- Safe management of tailings and waste



See chapter Association and international initiatives membership, p. 22

- Cooperation with international organisations, NGOs, civil society institutions, and industry peers based on early and tangible results in climate change mitigation
- Developing measures to achieve the SDGs through open sharing of information and promoting broad-based dialogue among the global community

**CDP A-score**

**Silver medal**  
in the EcoVadis Sustainability rating

**13 sites (↑ 4)**  
certified under the ASI standards

<sup>6</sup> Excluding volumes of red mud, nepheline mud and overburden. Based on data for 2020.  
<sup>7</sup> At aluminium smelters.  
<sup>8</sup> At aluminium smelters.

# 02.

## ENVIRONMENTAL ASPECT

Global sustainable development goals



### ↓ 24.5%

DECREASE IN TOTAL VOLUME OF INDUSTRIAL WASTEWATER DISCHARGE INTO SURFACE WATER BODIES

### ↓ 11.6%

DIRECT SPECIFIC GREENHOUSE GAS EMISSIONS OF ALUMINIUM SMELTERS COMPARED TO 2014

### ↓ 6.5%

DECREASE IN TOTAL AMOUNT OF WASTE GENERATED (EXCLUDING OVERBURDEN)



## STRIVING FOR ZERO EMISSIONS

# 2.1. Environmental protection

Material topics	2021 highlights	
WATER AND WASTEWATER MANAGEMENT	<b>2</b>	<b>usd 138 mln</b>
SAFE MANAGEMENT OF TAILINGS AND WASTE	MORE ENTERPRISES WERE CERTIFIED FOR COMPLIANCE WITH ISO 14001 INTERNATIONAL STANDARD (THE NUMBER OF CERTIFIED ENTERPRISES INCREASED TO 21)	TOTAL COSTS OF IMPLEMENTING ENVIRONMENTAL PROTECTION MEASURES
AIR QUALITY	<b>24.5%</b>	<b>6.5%</b>
LAND USE AND BIODIVERSITY	DECREASE IN TOTAL VOLUME OF INDUSTRIAL WASTEWATER DISCHARGE INTO SURFACE WATER BODIES	DECREASE IN TOTAL AMOUNT OF WASTE GENERATED (EXCLUDING OVERBURDEN)
	<b>20.5</b>	<b>2.2x</b>
	THOUSAND OF FRY RELEASED INTO WATER BODIES	INCREASE IN TOTAL AREA OF REHABILITATED LAND PER YEAR

## Management approach

GRI 103-1, GRI 103-2, GRI 103-3, HKEX Para 13, HKEX Aspect A1, A2, A3, HKEX KPI A1.5, HKEX KPI A1.6, HKEX KPI A2.4, ASI PS 2.1, ASI PS 2.3, ASI PS 2.4, ASI PS 3.1, ASI PS 7.2, SASB EM-MM-160a.1

Responsible use of natural resources and minimisation of negative environmental impacts constitute an integral part of RUSAL's management in its operating activities. The Company is constantly working to apply best practices in environmental management, implementation of advanced production process technologies to improve environmental efficiency and comply with applicable environmental legislation.

The Company's enterprises make all efforts to ensure its negative environmental impacts are not exceeding the established annual limits or approved temporary limits<sup>9</sup>. Environmental impact monitoring is performed as part of industrial environmental control and other research activities. Environmental risks are analysed on a quarterly basis with the risk register updated in accordance with internal regulations. Three RUSAL enterprises (KrAZ,





IrKAZ, BrAZ) are implementing environmental efficiency improvement programmes aimed at reducing the impact on the environment, including through the introduction of the best available technologies.

The activities of KrAZ, BrAZ and NkAZ are included in the comprehensive local plans to reduce pollutant emissions in Krasnoyarsk, Bratsk, and Novokuznetsk,

respectively. The comprehensive plans are aimed at a radical reduction of pollutant emissions into the atmosphere and provision of favourable living conditions for residents.

The Company has a number of fundamental documents that stipulate the key provisions of environmental protection activity:

### RUSAL's internal documents governing environmental management

 <p><b>Environmental Policy</b></p> <p>Includes principles that the Company undertakes to comply with when making management decisions at all levels in order to prevent and minimise negative environmental impacts. The Environmental Policy also contains the Company's areas of environmental protection activities.</p>	 <p><b>Biodiversity Conservation Policy</b></p> <p>Includes the Company's position on biodiversity conservation and the key principles that guide the Company's management of biodiversity conservation and enhancement of ecosystem services. In addition, the Policy describes the Company's risk-based approach to the assessment, prevention and minimization of operational risks to biodiversity and the prioritization of mitigation measures for potential impacts taken by the Company in these areas.</p>
 <p><b>Code of Corporate Ethics</b></p> <p>Includes environmental requirements imposed by the Company on its suppliers of goods, work and services, business intermediaries, consultants and other business partners. These requirements are related to compliance with environmental legislation, reduction of negative impacts on environmental components, reclamation and restoration of biodiversity and environmentally safe treatment of hazardous wastes.</p>	 <p><b>Guidance on the environmental management system</b></p> <p>Establishes environmental protection as one of the Company's values and contains ethical principles for this line of business that are binding on all RUSAL employees. The Principles concern resource conservation, prevention of environmental incidents, development of the environmental management system, compliance with environmental legislation, management of environmental risks, and personal environmental responsibility of employees.</p>

<sup>9</sup> Pursuant to Russian legislation, temporary limits are established if it is impossible to comply with the annual limits for the period during which the Company takes measures to reduce the impact on the corresponding component of the environment.




The strategic environmental goals of RUSAL are established for each key area of the Company's environmental protection activity:

Key area of environmental protection	Strategic Goals	Key accomplishments for 2021
Reduction of air emissions	– By 2025, the Company's production enterprises are expected to achieve the standards for air pollution emissions established by the legislation in the countries where they operate	– Implementation of programmes to improve environmental efficiency, activities of the federal Clean Air project at KrAZ, BrAZ, NkAZ
Creation of closed-loop water supply systems for the main production processes of the Company's enterprises	– By 2025, closed-loop water supply systems will be created for the main production processes of the Company's enterprises	– Transition of Krasnoturyinsk Alumina Refinery to the closed-loop water supply system
Increase in the share of waste recycling and enhancement of its use and safe storage	– Ensuring safe disposal, processing and use of industrial waste considering the technical capability (best available technologies) and market needs	– Construction and reconstruction of waste disposal facilities at 12 Company's enterprises
Replacement and disposal of electrical equipment containing polychlorinated biphenyls (PCB)	– By 2025, use of equipment and removal of waste containing PCB will be completely discontinued	– In 2021, the volume of PCB-containing waste generated was 70.2 tonnes (in 2021, 87.3 tonnes were safely disposed at appropriate facilities). In 2021, RUSAL's total accumulation of such waste stood at 19.1 tonnes. For all (11) of the Company's enterprises with operating or decommissioned PCB-containing equipment and waste, plans are in place for complete decommissioning of such equipment and disposal of such waste for the period from 2022 to 2025
Rehabilitation of disturbed lands and conservation of biodiversity	– Compliance with all the rehabilitation obligations	– Total area of rehabilitated land during the reporting year is 107.6 hectares
Creation of a corporate environmental management system	– Certification of all the Company's enterprises selling products on the market for compliance with ISO 14001 by 2025 – Participation in creating a modern regulatory and legal framework for the protection of the environment in the production of aluminium and alumina	– JSC Kremniy and LLC "LMZ SKAD" were certified for compliance with ISO 14001

Target environmental indicators that are aimed at achieving corporate strategic goals are set for the Company as a whole and are cascaded from the central Company to divisions and individual enterprises. These goals are considered when setting personal KPIs for employees, divisions, and enterprises.

At the end of 2021, the Company began developing its new Sustainable Development Strategy to 2030. It includes, among other things, strategic goals in environmental protection and rational (lean) use of natural resources that will allow to increase the environmental efficiency of production and take advantage of opportunities.

 For more information on the strategy, see page 16.

RUSAL's enterprises have a functioning environmental management system to ensure effective management of environmental aspects, environmental risks and opportunities. By the end of 2021, 21 of the Company's enterprises<sup>10</sup> had been certified for compliance with ISO 14001<sup>11</sup>. Those entities undergo an annual external supervisory audit to confirm their certification. A recertification audit is organized every three years.

In addition, certain enterprises (the list is given in section Aluminium Stewardship Initiative (ASI), p. 24) throughout the production chain – from the mining to the production of end products – are certified according to the ASI Performance Standard and ASI Chain of Custody Standard, the requirements of which include, inter alia, environmental aspects of the aluminium production and sales chain. In 2021, certification audits according the ASI standards were conducted at four more of RUSAL's assets: the Kandalaksha aluminium smelter, the Sayanal and Armenal (Armenia) aluminium foil plants, and the Aughinish alumina refinery (Ireland), the largest in Europe.

In parallel with external audits, internal audits of the environmental management system of enterprises were carried out in accordance with the approved annual schedule.

There were no significant changes in the approach to the management of environmental protection and rational use of natural resources in 2021. There was only a structural change – the Sustainability Directorate, with the Environmental and Climate Regulation Department as a part thereof, was established.

Management of environmental aspects, environmental risks and opportunities of the Company is addressed by the following organisational and structural units at the level of management companies for each division:

- **The Board of Directors of the Company** considers and approves strategic environmental priorities and goals, monitors the implementation of significant environmental projects and initiatives to improve the environmental management system, including as part of meetings of **the Health, Safety and Environmental Committee**.
- **The General Director** is personally responsible for the implementation of the Company's sustainability strategy and its environmental goals.
- **The Executive Committee**, which is an advisory body to the General Director, assists the Board of Directors and the General Director in monitoring the effectiveness of the implementation of the Company's sustainability strategy, including in the environmental area.
- **The Sustainability Directorate** is responsible for implementing the sustainability strategy in all Company divisions, including provisions related to environmental responsibility.
- **The Environmental and Climate Regulation Department** provides functional management of the environmental services of the Company's divisions and enterprises, creates and consolidates annual goals based on strategic objectives, and develops and monitors the implementation of policies, regulations, standards and corporate-level documents, consolidates the assessment of environmental risks of the enterprises and performs an annual analysis of the dynamics of these risks together with the Directorate for Control, Internal Audit and Business Coordination. The department comprises specialised units responsible for specific environmental issues related to environmental and climate regulation and control, environmental safety and regulation of greenhouse gas emissions, as well as organization of preparation and certification of the Company's enterprises for compliance with the requirements of the Aluminium Stewardship Initiative (ASI) standards.

<sup>10</sup> Excluding mothballed entities.  
<sup>11</sup> In 2021, two enterprises were certified.

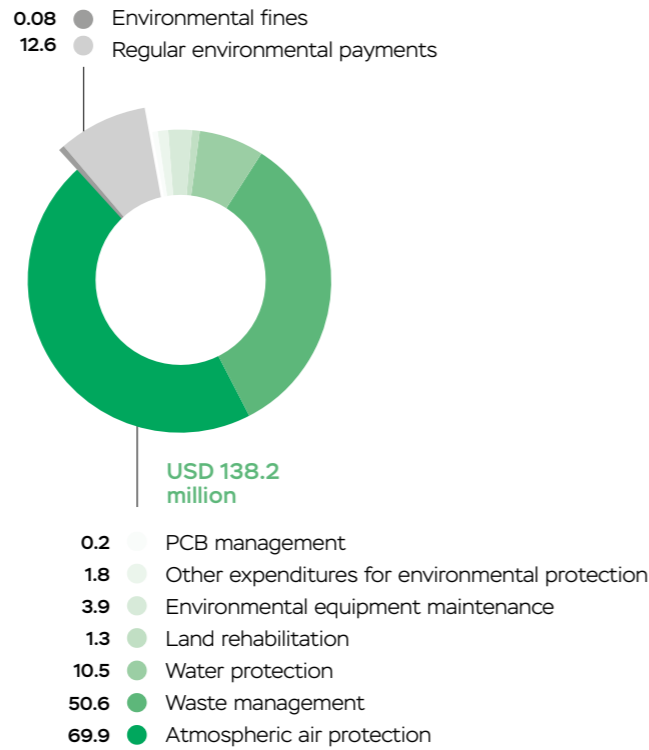
In 2021, the Company held a number of training events for its employees, including studying the constantly changing requirements and expectations of stakeholders. A seminar of Environmental Protection in the Aluminium Industry was organised in Moscow with the involvement of external consultants; about 50 people took part in the event. A special seminar was organized and held for specialists of enterprises and technical services, devoted to the formation and review of environmental efficiency improvement programs.

RUSAL constantly monitors changes in the requirements of the environmental legislation of the countries where it operates. Compliance with applicable requirements is a priority for the Company. In 2021, the Company received 45 environmental fines during audits of state authorities, and the amount of fines paid was USD 0.08 million. In the reporting year, no significant damage<sup>12</sup> to ecosystems because of the Company's production activities was recorded. [GRI 307-1, ASI PS 3.2](#)

In 2021, total costs of implementing environmental protection amounted to USD 138.2 million, which is 55% higher than the year before.

In 2021, regular payments for negative environmental impact amounted to USD 12.6 million.

**Environmental protection expenditures, regular environmental payments, and fines, 2021, USD million<sup>13</sup>**



**RUSAL CASE STUDY**

**Evaluation of the Company's environmental activities**

A significant event in 2021 was the strengthening of RUSAL's position in the World Wildlife Fund (WWF) Transparency Rating of Environmental Responsibility of Mining and Metals Companies. The ranking published in December 2021 placed the Company eight positions higher than the year before, while the total score received exceeded the industry average by more than 1.5 times. In the Mining and Processing of Non-ferrous Metal Ores group, RUSAL took the first place out of five. RUSAL also won in the Best Environmental Practices category at the annual Investor Relations Awards of the Hong Kong Investor Relations Association (HKIRA).



The Company plans to continue improving the environmental management system and approaches to managing environmental aspects, risks and opportunities within the framework of the system of continuous improvement of EMS elements – this approach is the foundation of ISO 14001.

<sup>12</sup> Hereinafter, significant cases of environmental non-compliance are defined as those resulting in the payment of fines exceeding USD 1 million.  
<sup>13</sup> Total payments and expenditures may differ from the sums of the components due to rounding.

**Water resources**

[GRI 103-1, GRI 103-2, GRI 103-3, GRI 303-1, GRI 303-2, HKEX KPI A2.2, HKEX KPI A3.1, ASI PS 7.2](#)

RUSAL, like any other mining and processing company, cannot operate without the use of water resources, which is why rational water use is one of the Company's priority issues.

RUSAL's enterprises implement and use approaches and technologies directed to reducing freshwater withdrawal and wastewater discharges into bodies of water. RUSAL sees application of a closed loop water supply system in its main production processes as a priority in its water management activities.

The Alumina division's enterprises account for a large share of freshwater consumption (70% in 2021) due to the specifics of alumina production.

To meet its production and domestic needs, RUSAL receives water from various sources (bodies of water<sup>14</sup>, municipal or other water supply systems). In accordance with

the requirements of the laws of the countries where the Company operates, each RUSAL production plant establishes standards in the field of water use and standards for the impact on water bodies (including in terms of wastewater quality) considering their characteristics, including hydrological, fisheries and hydrochemical characteristics. In 2021, there were no significant cases of non-compliance associated with water quality permits, standards, and regulations. [SASB EM-MM-140a.2](#)

RUSAL mainly operates in regions with a large supply of natural water and does not expose local communities and the environment to the risk of water scarcity. The only enterprise operating in a region with a water shortage is RUSAL Armenal, located in Armenia, meanwhile, the technological processes employed at such enterprise do not lead to significant use of water resources. Nevertheless, the Company makes every effort to responsibly manage water resources in this region.

**RUSAL CASE STUDY**

**Risks in water use [ASI PS 7.3, ASI PS 7.1](#)**

According to the [water risk map](#) developed by the World Resources Institute (WRI), RUSAL has assets in regions with a high level of water stress (facilities in Armenia and Italy). Water intake in the areas of water scarcity accounted for 0.6% of the overall water withdrawal by RUSAL in 2021 (total water intake in these regions is only attributable to the Armenian asset, RUSAL Armenal, due to the mothballing of the Italian asset, Eurallumina). [SASB EM-MM-140a.1](#)

In 2020, the closed-loop water circulation system was completed at RUSAL Armenal to prevent potential water supply disruptions and to use water resources more efficiently. After the launch of the closed-loop water circulation system, some shortcomings in its operation were identified, which caused an increase in water with-

drawal and water consumption in 2021 compared to 2020. Identified deficiencies are planned to be eliminated in 2022. [ASI PS 7.2](#)


In addition to the risks of water scarcity, the Company faces the risks associated with the legislation on water use (for example, an increase in payments for discharge of pollutants into bodies of water), and damage to bodies of water (for example, because of emergencies). In 2021, there were no difficulties in finding water to meet production needs or cases of emergency discharges of pollutants into bodies of water, because of which the Company would have incurred significant costs (more than USD 1 million). There were also no significant spills and related risks. [HKEX KPI A2.4](#)

**Water withdrawal, sewage discharge and water consumption of RUSAL Armenal, 2020–2021, thousand cubic metres [GRI 303-3, GRI 303-4, GRI 303-5](#)**


Indicator	2020	2021	
Withdrawal	Surface water bodies	448.7	1,049.1
	Urban network	104.4	99.4
Consumption		297.0	1,121.3
Discharge	incl. fresh water used for production	104.4	1,021.9
	Treated	20.1	27.2

<sup>14</sup> Key surface water bodies from which water is withdrawn/to which effluents are discharged: Russia - the Iset, Turya, Chulyrm, Pyardomiya, Ryadan, Yenisei rivers (the Yenisei – only withdrawal); Armenia - the Hrazdan river; Guinea - the Konkure river.


To implement its environmental strategy and prevent and mitigate water-related risks, the Company takes the following key measures pertaining to responsible water management:



Assessment, monitoring and control of impacts on water resources



Increase in the share of water reused and recirculated



Improvements in wastewater quality

Following the best practices in water management, the Company seeks to reduce water intake and wastewater discharge by implementing measures aimed to address changes of ecosystems of water bodies. In addition, RUSAL works towards the increase in the volume of re-used water every year, including by regularly inspecting water supply facilities in order to prevent leaks and other losses as part of industrial environmental control (IEC).

In accordance with RUSAL's Environmental Reporting Regulations, annual quantitative and qualitative assessment of the Company's impact on water resources is carried out. The results of primary accounting, official statistical reporting and industrial environmental control comprise the consolidated indicators of the Company's reporting. Evaluation of indicators is carried out at all enterprises of the Company, which are subject to the Environmental Reporting Regulations. Based on the results of the 2021 assessment, the Company did not have a significant negative impact on water bodies.

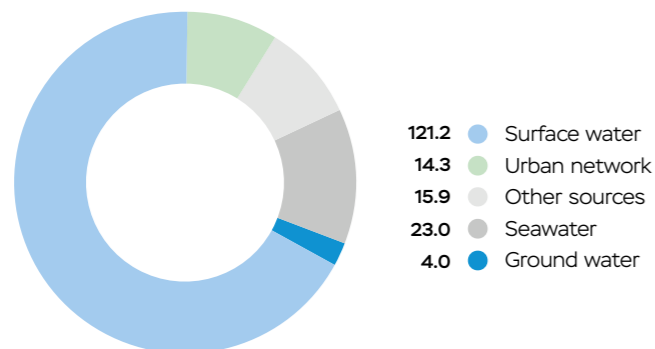
## Water management effectiveness

In 2021, total freshwater and seawater intake increased by 0.9% compared to the same figure the year before. Fresh water used for production was 107.5 million cubic metres (12.9 cubic metres/tonnes of alumina<sup>15</sup>), that is 3.6% up year-on-year. [GRI 303-5, SASB EM-MM-140a.1, HKEX KPI A2.2](#)

Seawater withdrawal increased slightly in 2021 as compared to 2020. Seawater was used only by KUBAL for cooling purposes in foundry operations and air purification.

### Water withdrawal by source<sup>16</sup>, 2021, million cubic

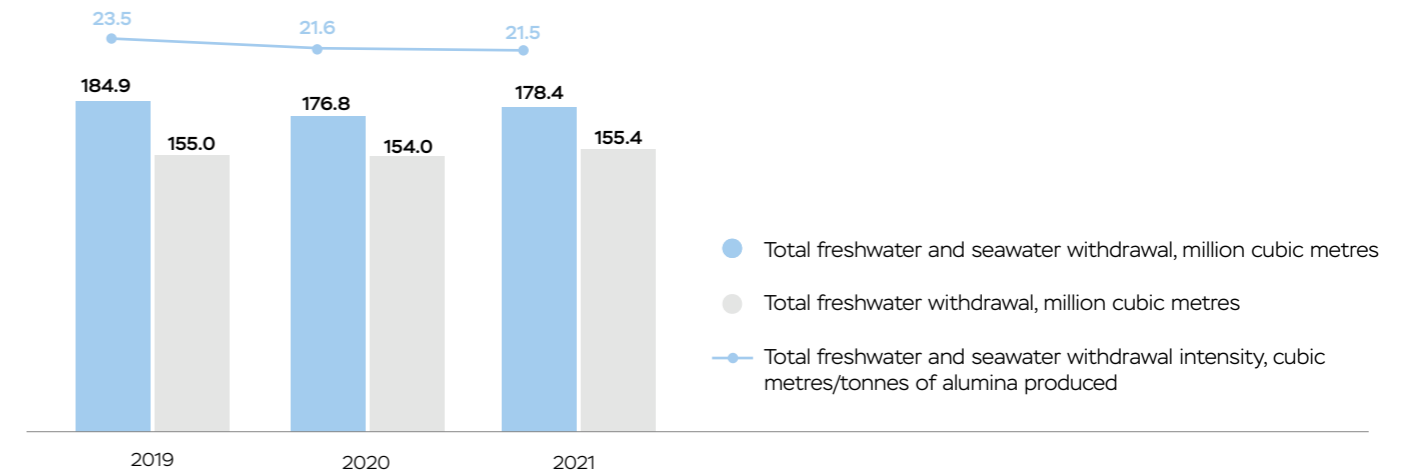
[GRI 303-3, ASI PS 7.1](#)



<sup>15</sup> Specific indicators in terms of water use are given per ton of alumina produced, since most of the water is used at alumina plants.  
<sup>16</sup> Hereinafter, indicators related to water use are given based on the annual environmental reporting, which is formed using data of initial accounting of water-related indicators, industrial environmental control and statistical reporting of enterprises (Form 2-TP) in accordance with the relevant internal regulations. There are no water-related 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). The consolidated values of the Company include only data on the water withdrawal of the Friguia Bauxite and Alumina Complex.

### Total water withdrawal and water withdrawal intensity, 2019–2021

[GRI 303-3, SASB EM-MM-140a.1.](#)



Total volume of industrial wastewater discharge into surface water bodies decreased by 24.5% compared to preceding year, which is mainly due to the completion of Krasnoturyinsk Alumina Refinery water circulation system

project. In 2021, measures were also taken at key production sites to construct and upgrade wastewater treatment facilities. The Company's industrial effluents are mainly treated using physical treatment methods.

#### RUSAL CASE STUDY

##### Completion of the construction of the closed water circulation system at Krasnoturyinsk Alumina Refinery. The Number One Ecology Project nomination

The reporting period was marked by the completion of the transition of Krasnoturyinsk Alumina Refinery to the closed-loop water supply system. The return of water to production exceeded the design figures by 1.5 times. In the future, RUSAL plans to increase water recovery to 35,000 m<sup>3</sup>/day.

The project was nominated by the Sverdlovsk Regional Union of Industrialists and Entrepreneurs for Environmental Award No. 1. The award was given for the fulfilment of significant measures contributing to the improvement of the environmental situation in the region and for the effective systematic environmental policy.

In 2021, RUSAL's share of reused and recycled water supply remained practically unchanged compared to the previous year (in 2021 – 91.5%, and in 2020 - 92.6%), while it has increased by 4% since 2010.

#### Results of Krasnoturyinsk Alumina Refinery in 2021 as compared to 2020

**↓ 12%**

reduction in water withdrawal

**↓ 23%**

reduction in water use for industrial needs

**↓ 62%**

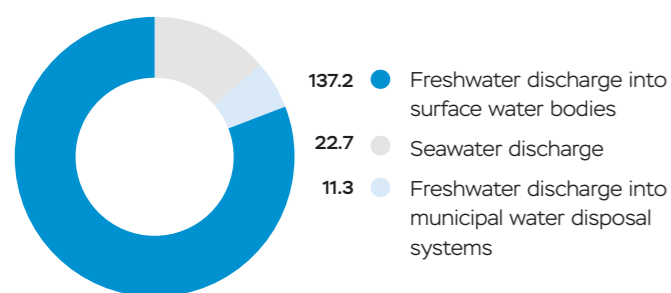
reduction in industrial effluent discharge

RUSAL plans to provide all main production processes with a recirculating water supply system by 2025. Based on this goal, the Company has completed the creation of this system at the Achinsk Alumina Refinery. Such prac-

tice is to be introduced at a plant in Kamensk-Uralsky. By 2030, RUSAL plans to use recycled water supply in all its main production processes. [HKEX KPI A2.4](#)

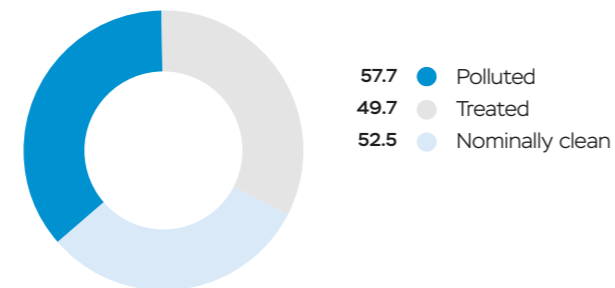
**Total effluent discharge by type of destination, 2021, million cubic metres**

GRI 303-4



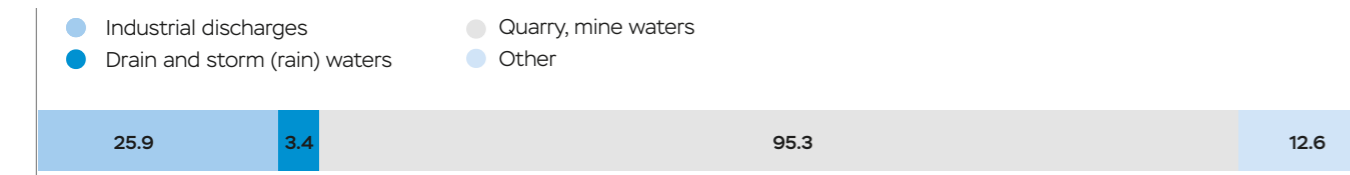
**Freshwater and seawater discharge into water bodies by type, 2021, million cubic metres**

GRI 303-4



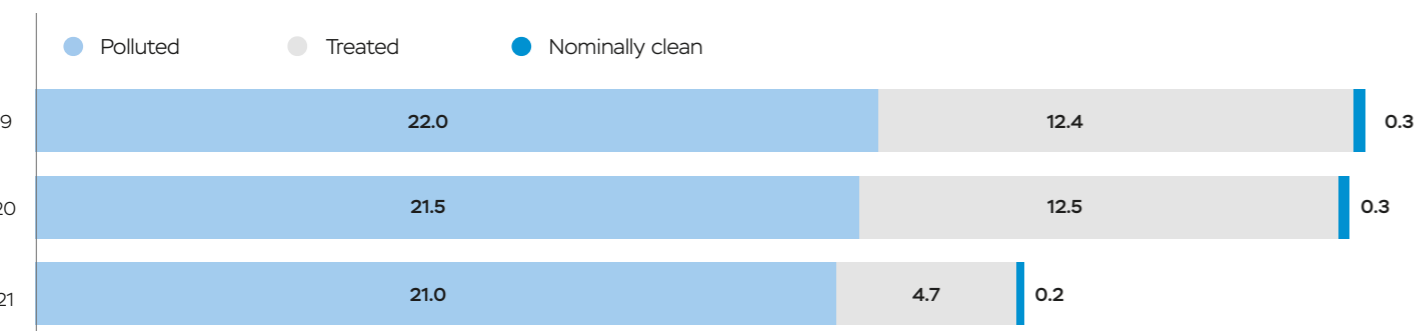
**Freshwater discharge in surface water bodies by water category<sup>17</sup>, 2021, million cubic metres**

GRI 303-4



**Industrial discharges into surface water bodies by type, 2019–2021, million cubic metres**

GRI 303-4, ASI PS 6.2



More water-related indicators are presented in Appendix 2. Key sustainability data on page 159.

<sup>17</sup> In 2021, the total volume of freshwater discharge to the municipal water disposal systems was 11.3 million cubic metres.

**Waste management**

GRI 103-1, GRI 103-2, GRI 306-1, GRI 306-2, HKEX KPI A1.6, HKEX KPI A3.1, ASI PS 6.5, SASB EM-MM-150a.10

RUSAL enterprises generate hazardous and non-hazardous waste<sup>18</sup> in the course of their production processes. The Company also has specific non-hazardous wastes, such as red and nepheline sludge from the production of bauxite and nepheline and spent carbon pot linings. Overburden and red/nepheline sludge account for most of the waste generated by the Company (98% in 2021). The share of non-hazardous waste in the Company's waste generation structure (excluding overburden) is 96% in 2021.

The Company has its own waste disposal facilities and responsibly approaches their operation. RUSAL uses various mechanisms to minimize the negative impact of these fa-

cilities on environmental components. The Company takes all necessary measures to ensure the safe operation of hydraulic structures designed for the disposal of some of the waste generated. As evidence of the adequacy of the measures taken – in 2021, as in previous years, there were no incidents with a negative impact on biosystems.

The key areas of the Company's waste management are reducing waste generation, increasing the share of waste reuse and recycling and ensuring the safe disposal of waste that cannot be returned to economic turnover at specialized facilities. Within the areas of activity, RUSAL developed a Strategy for the management of production and consumption waste until 2030.



<sup>18</sup> In accordance with Russian legislation on environmental protection, hazardous wastes mean wastes of classes I, II and III (extremely hazardous, high-hazardous, and moderately hazardous), and non-hazardous wastes of classes IV and V (low-hazardous and practically non-hazardous). Enterprises located in other countries define waste types according to national classifications.

**RUSAL CASE STUDY**

**Use of large-capacity by-products of alumina production**

**GRI 306-2**

The Company's enterprises implement measures on reuse and recycling of sludge formed from alumina production, including sending this waste to other companies for subsequent use. The total volume of RUSAL red and nepheline sludge generated in 2021 was 14.1 million tonnes, 0.9 million tonnes of which were returned to economic turnover.

Aughinish Alumina (Ireland) is involved in several major research projects:

- **Project RECOVER:** production of inorganic polymers using bauxite residues
- **Project RemovAL:** reduction of soda content in sludge, use of a blend of sludge and ash in road construction
- **Project ReActiv:** application of sludge to produce new cement products with a low carbon footprint.

RUSAL sees ferrous metallurgy, road construction and production of construction materials as a promising area to use its alumina production sludge as a secondary material resource. In 2022 and the medium term, RUSAL will continue participating in initiatives for practical application of this type of waste.

RUSAL enterprises that have their own waste disposal facilities, including sludge storage tanks, sludge dumps, ash dumps and industrial waste landfills, are implementing measures to ensure the safe disposal of industrial waste for preventing or minimising the negative impact on the

environment. Waste disposal sites are monitored and controlled in accordance with the approved programmes and the environmental legislation. There are no cases of waste disposal at unauthorized sites or with material violations of environmental requirements.

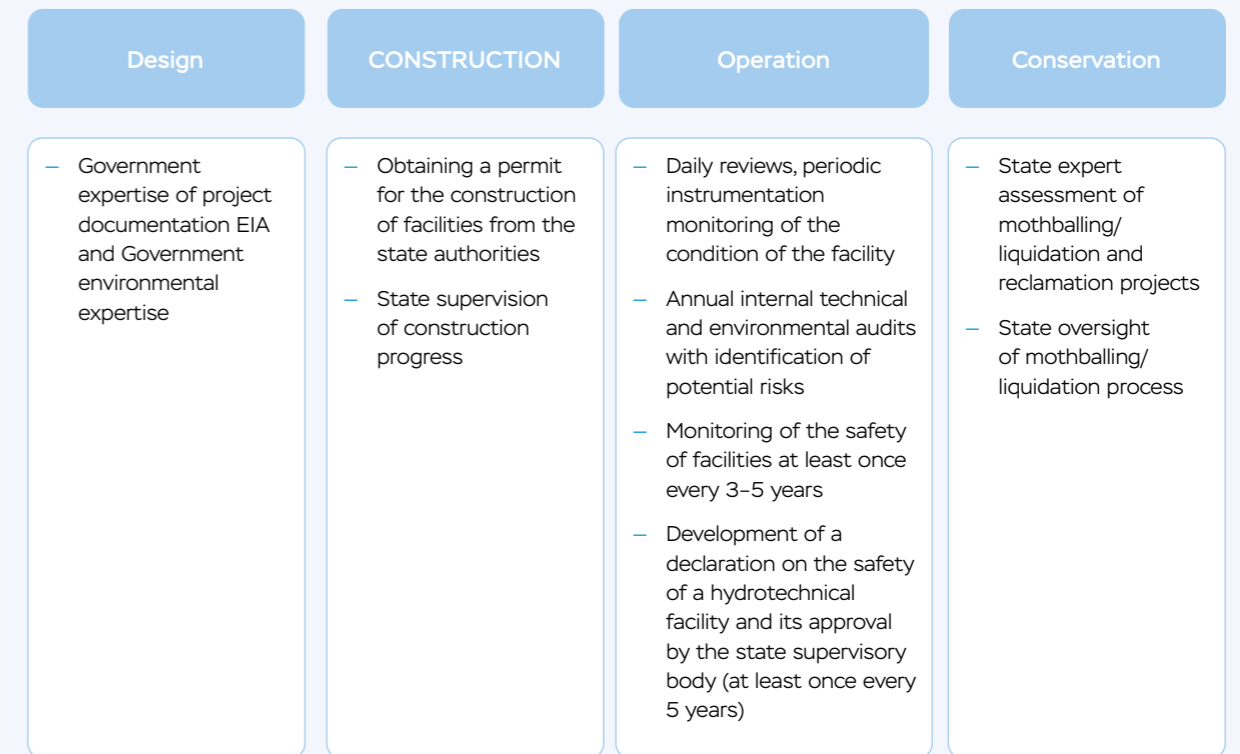
**RUSAL CASE STUDY**

**Operation of hydraulic structures designed for the disposal of some of the waste generated**

**HKEX KPI B2.3**

RUSAL operates 28 sludge tanks and 5 ash dumps, which are hydrotechnical facilities, to dispose of its own waste.

To prevent accidents, condition of hydraulic structures is monitored and controlled at all stages of the facility lifecycle – from design to mothballing/liquidation both inside (by the Company's specialists) and outside (by government supervisory agencies and other independent organisations) the Company:



No significant spills and related risks were recorded during the reporting period. [ASI PS 6.4](#).

Waste management at the Company is performed in accordance with the legislative requirements, and all counterparties to which the waste is sent have the relevant licenses. RUSAL's employees involved in waste collection, transportation and disposal undergo mandatory training in waste management.

## Waste management effectiveness

In 2021, the total amount of waste generated (excluding overburden) was 15.6 million tonnes, which is 6.5% less than the same figure for the previous year. The change was due to a decrease in the generation of red and nepheline sludge at alumina plants, which, in turn, depends, among other things, on the quality of incom-

ing raw materials. Hazardous waste accounts for 4.5% of the total volumes of waste, excluding overburden. The amount of overburden waste generated was 68.6 million tonnes, which is 20.4% more than the 2020 level because of the development of the Verkhne-Shchugorskoe deposit. [GRI MM3](#).

### Total volume of waste generation by type of waste<sup>19</sup>, 2019–2021, million tonnes

[GRI 306-3](#), [SASB EM-MM-150a.4.](#), [SASB EM-MM-150a.5.](#), [SASB EM-MM-150a.7.](#), [HKEX KPI A1.3](#), [HKEX KPI A1.4](#), [ASI PS 6.5](#)

Type of waste	2019	2020	2021
Hazardous waste <sup>20</sup>	0.5	0.8	0.7
Non-hazardous waste, including	67.6	72.9	83.5
overburden	53.9	57.0	68.6
red / nepheline sludge	12.8	14.4	14.1
other non-hazardous waste	0.9	1.5	0.8
Total volumes of waste	68.1	73.7	84.2
Total volumes of waste, excluding overburden	14.2	16.7	15.6
Total volumes of waste, excluding overburden and red / nepheline sludge	1.4	2.3	1.5

### Waste management, by operation and type of waste<sup>21</sup>, 2021, million tonnes

[GRI 306-4](#), [GRI 306-5](#), [ASI PS 6.5](#), [SASB EM-MM-150a.8](#).

Type of operation	Hazardous waste	Overburden	Non-hazardous waste, excluding overburden
Total volumes of waste disposal, including	0.04	67.67	13.51
landfilling on-site	0.02	45.02	4.07
accumulation on-site	0.01	22.65	9.36
landfilling off-site	0.01	-	0.08
Total volumes of waste reused and recycled, including	0.66	0.91	1.50
on-site	0.66	0.27	0.62
off-site	0.00	0.64	0.88

<sup>19</sup> Hereinafter in the "Waste Management Effectiveness" subsection under the "Waste management" section, data for deposits located in Guyana (Bauxite Company of Guyana) and Guinea (Bauxite Company of Kindia and Dian-Dian), which may be relevant to consolidated indicators of overburden generation and management, are excluded due to the lack of measurement systems and relevant requirements in national legislation.

<sup>20</sup> The values for hazardous waste generation for 2019 and 2020 have been updated – gas treatment plant dust wastes have been included in the figures.

<sup>21</sup> A certain portion of the following wastes, which are the most significant for the Company's production activity, is sent for landfilling at its own facilities: overburden from the mining of bauxite, nepheline; red/nepheline sludge from alumina and hydrate production; spent carbon and refractory pot linings from primary aluminium production by electrolysis; spent foundry refractory lining; carbon-containing waste, spent refractory lining (from green anode baking furnaces) from anode and anode past production. Some share of that waste (excluding overburden from bauxite and nepheline mining), as well as part of such wastes as carbon-containing waste (coal foam) from primary aluminium production by electrolysis, dross from alloy production, other overburden (e.g. from the mining of limestone) are sent to third-party organisations for recycling.

Safe management of industrial waste was also ensured in 2021. Measures on the reconstruction and construction of waste disposal facilities were implemented at the following Company enterprises: KrAZ, IrkAZ, SAZ, NkAZ, VGAZ, Achinsk Alumina Refinery, NGZ, Krasnoturyinsk Alumina Refinery, Kamensk-Uralsky Alumina Refinery, Aughinish, Eurallumina, Windalco.

Implementation of measures to return waste to economic turnover continued at the Company's enterprises in the reporting period:


- **KrAZ:** technical re-equipment of the sodium sulphate removal site;
- **Aughinish Alumina:** creation of an oxalate sludge processing system;
- **Kamensk-Uralsky Alumina Refinery:** a pilot unit for dealcalization and dehydration of red sludge was installed and put into operation at the enterprise, which allows to recycle this waste in the following directions – application of technology for using red sludge in production of construction materials for internal needs, implementation of patented technologies of scandium oxide extraction from red sludge to produce scandium concentrate;
- **Valkom-PM:** purchase of equipment to process waste of laminated foil.

In 2021, the Company continued cooperation with the Administration of Highways in Krasnoyarsk Territory on the use of nepheline sludge in road construction outside settlements, as well as R&D work "Testing and implementation universal technology for the installation of unshaped materials".

In 2021, red / nepheline sludge from alumina production was generated in the amount of 14.1 million tonnes (with 0.9 million tonnes directed to reuse and recycling). [ASI PS 6.6](#)

Total spent carbon pot lining generated was 33.0 thousand tonnes (with 24.8 thousand tonnes directed to reuse and recycling). [ASI PS 6.7](#)

Dross was generated in the amount of 33.1 thousand tonnes (with 24.3 thousand tonnes directed to reuse and recycling). [ASI PS 6.8](#)

 More indicators on waste generation and management are presented in Appendix 2. Key sustainability data on page **160**.

#### RUSAL CASE STUDY

##### Participation in the Circular Economy Consortium

The Consortium includes representatives of major Russian universities and businesses. The Consortium's goal is to provide leading Russian enterprises with scientific research, innovative technologies, and educational programmes to implement the transition to a circular economy.

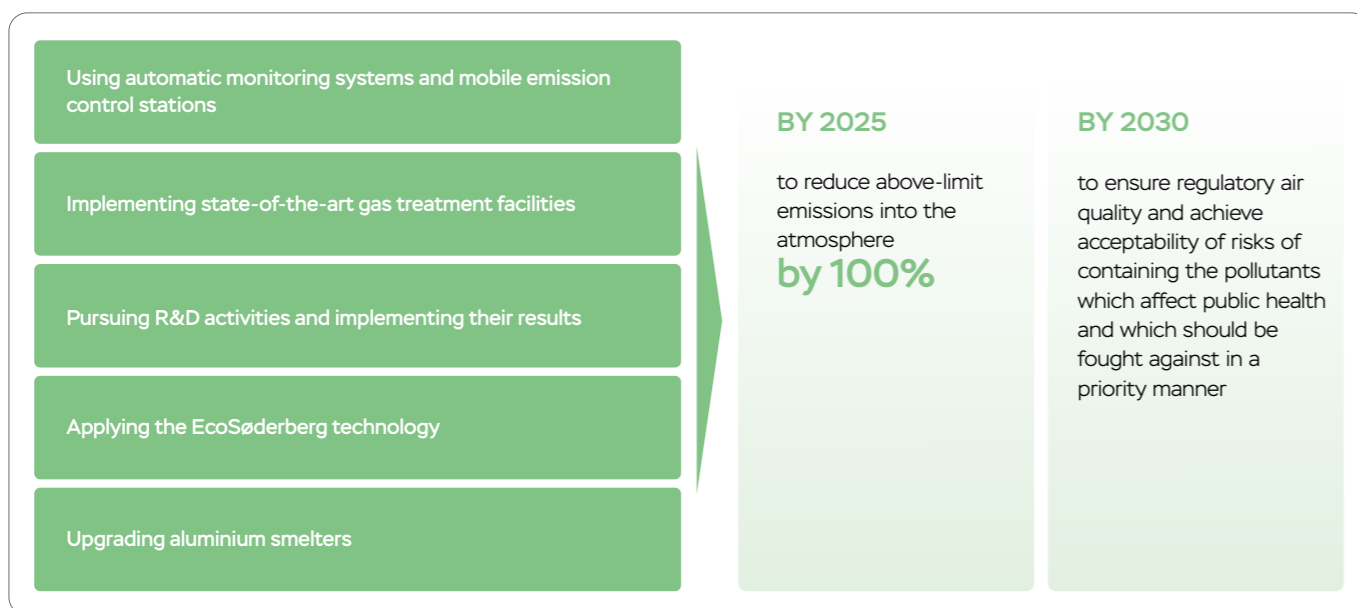
Packaging materials for finished products are mainly used by the companies of the Downstream Division. Their volume in the total consumption of raw materials/materials involved in production and packaging is insignificant. [HKEX KPI A2.5](#)

## Air emissions

GRI 103-1, GRI 103-2, GRI 103-3, SASB EM-MM-120a.1, HKEX KPI A3.1, ASI PS 6.1

Regulating air quality is part of RUSAL's strategy for sustainable development and the Company's Environmental Policy. RUSAL is implementing measures aimed at reducing

emissions into the atmosphere, organizing and conducting air quality monitoring, and participating in the implementation of the Clean Air Federal Project. [HKEX KPI A1.5](#)



The Company's gas treatment plants allow the capture and return to production of trapped substances, including gaseous and solid fluorides.

RUSAL seeks to minimize emissions that exceed the maximum allowable levels. Maintenance, inspection and repair of equipment are carried out within the framework of approved plans, programs and routine maintenance. The impact on the environment and the local community exerted by RUSAL enterprises in terms of pollutant emissions is minimal.

Carbon monoxide makes up the bulk of total air pollutant emissions – 67%, or 245.3 thousand. Sulphur dioxide increased from 40.1 thousand tonnes in 2020 to 45.2 thousand tonnes in 2021. Over the past three years, total air emissions have increased due to growing production across all of the Company's facilities and the inclusion of data for the Pikalevsky Alumina Refinery and Taishet Aluminium Smelter.

### Emissions of pollutants into the atmosphere<sup>22 23</sup>, 2019–2021, thousand tonnes

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

Pollutant	2019	2020	2021
Carbon Monoxide (CO)	232.2	238.7	245.3
PM (except Fsolid, tarry substances, B(a)P)	37.7	36.3	35.9
Sulphur dioxide (SO <sub>2</sub> )	42.0	40.1	45.2
Sum of nitric oxides as nitrogen dioxide (NO <sub>2</sub> )	19.5	20.1	22.7
Total fluoride (gaseous and solid fluoride)	6.6	6.4	6.0
Volatile organic compounds (VOCs)	1.6	1.5	1.2
Benzo(a)pyrene	0.0039	0.0041	0.0038
Other emissions	8.4	9.3	12.6
<b>Total</b>	<b>348.0</b>	<b>352.4</b>	<b>368.9</b>

Aluminium production is the main source of RUSAL's emissions into the atmosphere. The electrolysis production of aluminium enterprises accounted for 75% of all pollutant emissions, excluding greenhouse gases.

The impact of RUSAL's initiatives will be tangible in the short and medium term (2022–2024).

### Emissions of pollutants into the atmosphere by divisions, 2021, thousand tonnes

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

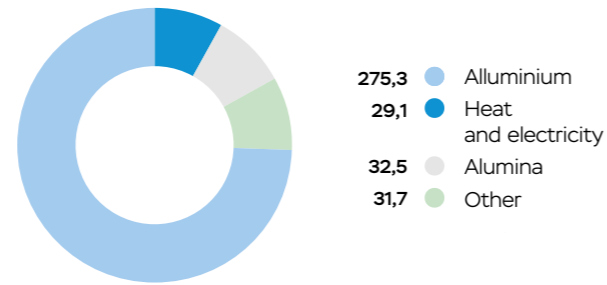
Pollutant	Aluminium division	Alumina division	Downstream division	The new projects Directorate	BoAZ
Carbon Monoxide (CO)	214.9	9.2	0.5	1.0	19.7
PM (except Fsolid, tarry substances, B(a)P)	12.8	19.0	0.1	3.5	0.3
Sulphur dioxide (SO <sub>2</sub> )	29.0	12.3	0.1	0.1	3.7
Sum of nitric oxides as nitrogen dioxide (NO <sub>2</sub> )	2.6	19.4	0.1	0.4	0.2
Total fluoride (gaseous and solid fluoride)	5.9	0.00003	0.0039	0.0	0.1
Volatile organic compounds (VOCs)	0.1	0.5	0.5	0	0
Benzo(a)pyrene	0.00375	0.00008	0	0	0
Other emissions	3.5	9.1	0.033	0.072	0.002
<b>Total</b>	<b>268.8</b>	<b>69.3</b>	<b>1.3</b>	<b>5.2</b>	<b>24.0</b>

<sup>22</sup> The Company uses methodologies for calculating emissions established by Russian legislation.

<sup>23</sup> Hereinafter in the section Environmental protection – Air emissions - data on the bauxite-alumina complex "Fria" (Guinea), which may be material for the consolidated indicators, are presented separately due to the lack of measurement systems and relevant requirements in the national legislation. As evaluated based on fuel consumption data, SO<sub>2</sub> emissions are estimated at 3.8 thousand tons.

In the reporting year, RUSAL began a radical environmental modernisation of plants in Bratsk, Shelekhov, Krasnoyarsk, and Novokuznetsk, which provides for the transition to the use of the best available technologies, namely, the baked anode technology. The new state-of-the-art equipment will reduce the smelter's impact on the environment. Upgrading facilities produce more than 1.4 million tonnes of aluminium (35% of the total output of RUSAL). The volume of production will not change, but electricity consumption will decrease by 16.5%, fluoride emissions – by 73%, and benzo(a)pyrene – by 100%.

**Air pollutant emissions by type of production, 2021, thousand tonnes**



Indicators on air pollutant emissions intensity are presented in Appendix 2. Key sustainability data on page 161.

**RUSAL CASE STUDY**

**Ecological Söderberg**

The Company continues successful implementation of EcoSöderberg technology at the Bratsk, Shelekhov, Novokuznetsk, and Volgograd Aluminium smelters. This technology is one of the Company's key modernisation projects of enterprises developed by RUSAL's Engineering and Technology Centre. It provides improved afterburning of the anode gas and the tightness of the electrolysis itself.

In the reporting year, the modernization of electrolyzers with the transfer to EcoSöderberg technology at BrAZ, NkAZ, IrkAZ and VgAZ continued. In 2021, 400 pots were modernized. A total of 1,009 pots were transferred to EcoSöderberg.

**RUSAL CASE STUDY**

**Gas treatment facilities construction and upgrade**

In 2021, the Company successfully modernised some of its gas treatment facilities and built new ones. In addition, NkAZ, BrAZ and IrkAZ were upgrading the existing gas treatment plants introducing more efficient, state-of-the-art dry gas treatment units developed by RUSAL engineers. Together with partners in pitch production, the Company continued to transfer its capacities to more environmentally friendly raw materials, including eco-friendly pitch, which made it possible not only to partially replace imports, but also to reduce emissions of harmful polyaromatic substances.

**RUSAL CASE STUDY**

**Voluntary report on the Company's participation in the federal Clean Air project**



In the reporting year RUSAL announced its intention to prepare and publish on an annual basis a special voluntary report on the Company's participation in the implementation of the Clean Air Federal Project.

Released in early 2022, the first such report contains detailed information on the progress and the results achieved for all projects and programmes implemented by RUSAL to achieve the goals of the Clean Air Federal Project in accordance with the

comprehensive environmental performance improvement plans, including investment volumes and disbursements.

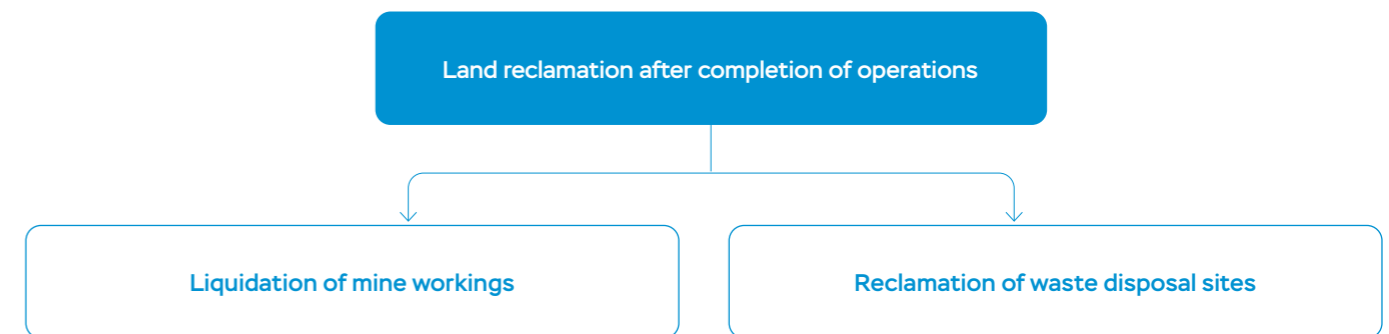
RUSAL's approach has a positive effect on the development of an effective multilateral environmental dialogue between businesses and the government, the expert community and the public.

**Land resources**

GRI 103-1, GRI 103-2, GRI 103-3, HKEX KPI A3.1

RUSAL is aware of the responsible for the condition of the lands where the Company operates. As part of ensuring environmental sustainability, RUSAL carries

out reclamation of lands upon the completion of operations and lands affected by waste disposal.



**We operate based on our policy<sup>24</sup> in accordance with:**

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



Special financial reserves are formed to meet the obligations and implement the reclamation measures. In the reporting period, the area of lands disturbed by the Company amounted to 245 hectares. [GRI MM1](#)

**RUSAL CASE STUDY**

**Reclamation at the Sredne-Timansky bauxite mine**

[ASI PS 8.5](#)

RUSAL starts production at a new quarry at the Vezhayu-Vorykvinskoye deposit in the Komi Republic with reserves of more than 14 million tonnes of bauxite. Investments in capital mining at the Vezhayu-Vorykvinskoye deposit amounted to about RUB 2.5 billion. Mining and capital work on the new quarry continued for three years, during which miners of the Timan Bauxite successfully coped with a significant volume of overburden work – 19.5 million cubic meters. In 2022, it is planned to reclaim the two old quarries of the Vezhayu-Vorykvinskoye deposit because of the completion of the mining operations.

In 2021, RUSAL generated 68.6 million tonnes of overburden rock, about 67.7 million tonnes of which, or 98.7%, were placed in dumps. The bulk of this amount was generated by the Alumina Division (over 97%). [GRI MM3](#)

In 2021, the coefficient of land reclamation in relation to development<sup>25</sup> stood at 0.44 across RUSAL. Overall, 107.64 hectares of lands were reclaimed, including reclamation activities at the Boguchansky aluminium smelter (BoAZ). The main reclamation activities took place at the Windalco site – about 61.8 hectares. The fact that the disturbed land area is still larger than the one of rehabilitated lands is mainly caused by the development activities of bauxite deposits at the Dian-Dian, CBC (Guinea), Timan Bauxite (Russian Federation) and Windalco (Jamaica) mines.

In the reporting year, the Company allocated USD 1.3 million for the decommissioning of facilities and land restoration. In 2021 there were no overdue debts for land reclamation.

**RUSAL CASE STUDY**

**Aughinish Alumina Ltd received recognition from local authorities**

Located in Ireland, the Aughinish Alumina plant enjoys the Irish National Parks and Wildlife Authority's honourable distinction of creating the finest semi-natural grassland in Ireland in Aughinish.

The reclaimed areas of the Aughinish sludge storage meet the best practices for land conservation and restoration. Revegetation is contributing to the formation of an ecosystem that provides a habitat for organisms from other taxonomic groups.

**Total volume of disturbed and rehabilitated land, 2019-2021, hectares<sup>26</sup>**

[GRI MM1](#)

	2019	2020	2021
Total area of disturbed land, but not yet rehabilitated land as at 1 January of the reporting year	5 129	6 742	10 295
Total area of disturbed land in the reporting year	686	1 563	245
Total area of rehabilitated land in the reporting year	19	48	107
Total area of disturbed, but not yet rehabilitated land as at 31 December of the reporting year	5 796	8 257	10 433

<sup>25</sup> Land reclamation coefficient = Area of reclaimed lands/Area of disturbed lands in the reporting period.

<sup>26</sup> The difference between the indicators at the end and the start of the reporting period is explained by the inclusion of the Pikalevsky alumina refinery in the reporting perimeter.

**Biodiversity**

[GRI 103-1, 103-2, 103-3, GRI 304-1, GRI 304-2, GRI 304-3, ASI PS 8.2, ASI PS 8.4, SASB EM-MM-160a.1, HKEX KPI A3.1](#)

RUSAL understands the importance of biodiversity conservation and strives to minimise possible impact of the Company's production activities on biological resources.

The Company mainly affects biodiversity by violating the integrity of the landscape by industrial facilities. Industrial sites, roads and quarries reduce the areas of overgrowth with vegetation and disrupt the natural habitats of animals.

RUSAL has been adopting and effectively implementing the best global practices in the field of biodiversity conservation by participating in international interactions.

[GRI 103-2](#)

**The Company is a member of the following biodiversity conservation working groups:**



[ASI Biodiversity and Ecosystem Services working group](#)



[Working Group on Entrepreneurship and Conservation of Biological Diversity of the Russian Ministry of Natural Resources](#)

In its activities related to biodiversity, RUSAL is guided by a vast regulatory framework, including internal and external documents.

**Regulatory framework in the field of biodiversity protection applied by RUSAL**



**The Company implements a comprehensive and integrated approach to assess the risks of potential impact of its production activities on biodiversity in the regions of its operation, which allows the Company to:**

- identify focus areas;
- minimise impacts from Company's production activities;
- sustainably manage issues related to biodiversity.

[GRI 103-2, ASI PS 8.1](#)

As part of the implementation of the new Sustainable Development Strategy, the Company undertakes to ensure a holistic approach to the responsible management of biodiversity conservation and the quality of ecosystem services by 2030, inter alia, by means of the development and implementation of corporate programmes and plans, in the event significant risks for biodiversity conservation are revealed, with due regard to the hierarchy of potential impact mitigation measures.<sup>27</sup>

[GRI MM2, ASI PS 8.2](#)

<sup>27</sup> Participating in certification | ASI Performance recertification in the period from 2023 to 2030.



As part of the standardisation of the approach to biodiversity management, in 2022 the RUSAL Biodiversity Conservation Policy, which expresses the Company's official position and its obligations in preserving biodiversity and maintaining the quality of ecosystem services, will be submitted for approval by the Board of Directors.

Almost all of RUSAL's facilities are located on the West Siberian Plain and the Central Siberian Plateau, and the Company supports preservation of specially protected areas. RUSAL does not pursue any production or operational activities within the UNESCO World Heritage Sites and other areas of high biodiversity value. There are no IUCN Red List species and other national conservation lists species with habitats in areas affected by the operations of RUSAL, including mining. [GRI 304-1](#), [GRI 304-4](#), [ASI PS 8.1](#), [ASI PS 8.4](#), [SASB EM-MM-160a.3](#)

**RUSAL strives to minimise potential impact on biodiversity and the environment at large by implementing numerous projects:** [SASB EM-MM-160a.1](#)

- reducing emissions into the atmosphere (see the Air emissions chapter)
- implementing projects to introduce a closed water cycle (see the Water resources chapter)
- reclamation of disturbed lands (see the Land resources chapter). [GRI 304-2](#)

Adhering to the principles of sustainable development, the Company has been implementing a number of voluntary initiatives in the regions of operation aimed at maintaining and preserving biological diversity. [GRI 103-2](#)

## RUSAL's biodiversity monitoring and impact assessment initiatives

[GRI 304-3](#), [GRI 304-4](#), [SASB EM-MM-160a.1](#)

### Environmental monitoring

Together with the Russian Geographical Society, RUSAL provides comprehensive environmental monitoring, including monitoring of specially protected natural areas – the Shushensky Bor National Park, the Khakassky Reserve, the Sayano-Shushensky Reserve, the Pozarym Reserve and other protected areas.

#### As part of the project, the following steps are taken:

- monitoring of populations of rare and endangered flora and fauna species of the Koibal steppe
- monitoring concerning the biological assessment of the environmental well-being in the Shushensky district
- assessment of the environmental pollution of PAs of the Altai-Sayan ecoregion.

#### Particular attention is paid to transboundary territories. The following activities are carried out within the framework of the project:

- developing of a monitoring system for species of rare and endangered flora and fauna in specially protected natural areas and adjacent areas
- study of the recreational load on areas adjacent to PAs or located in recreational areas of PAs
- study and conservation of stone pine forests of the Altai-Sayan ecoregion and Eastern Siberia

- environmental monitoring of the biological assessment of the state of the environment in the Shushensky district
- assessment of pollution of the natural environment of the protected areas of the Altai-Sayan ecoregion based on data on the content of toxic pollutants in the snow cover.

RUSAL also contributes to the conservation of rare animal species. As part of environmental monitoring, the Company carries out long-term monitoring of the population and habitats of the snow leopard involving the scientific community. The measures taken make it possible to determine the number of species and to coordinate conservation measures for the safety of species habitats. The results of the monitoring are delivered to the respective protected areas for assessment, analysis, planning and organisation of the natural reserve fund.

### Assessment of biological diversity in rivers around the Timan Bauxite mine

Since 2000, ichthyological and hydrobiological work has been carried out on the sections of the Vym and Vorykva rivers and the Cherny stream which flows directly in the territory of the mine. The project is designed to control the state of aquatic biological resources and the quality of surface waters. There is no intensive technogenic pollution, which actively affects the quality of water and the habitat of aquatic biological communities, at the monitoring sites.

### Kuznetsk Alatau Nature Reserve

For many years, we have worked in cooperation with experts from the Kuznetsky Alatau Nature Reserve to monitor and assess the state of the environment and biological diversity both in the territory of the Kuznetsky Alatau Nature Reserve and within its buffer zone.

#### During the monitoring, we perform the following actions:

- biological assessment of the quality of the terrestrial environment
- monitoring of the biological diversity of terrestrial vertebrates
- assessment of the state of populations of rare plant species and the vital state of the main forest-forming species.

Biodiversity monitoring provides an opportunity for the Company to adjust its environmental activities as necessary to reduce the negative impact. The monitoring results revealed no significant biodiversity risks. There is no significant impact on biodiversity as a result of land use and other activities of the Company. [ASI PS 8.1](#)

By participating in such initiatives, RUSAL contributes not only to the achievement of the SDGs, but also to the implementation of the Federal project of the Conservation of Biological Diversity and Developing Ecological Tourism within the Russian national Ecology project.

**RUSAL's initiatives to reproduce biological resources**



**REFORESTATION**

The Company takes an active part in the reforestation of the regions of presence – Krasnoyarsk Territory and the Irkutsk Region. Since 2019, about 505 thousand trees have been planted in Krasnoyarsk Territory on an area of 120 hectares, and in the Irkutsk Region, about 612 thousand on an area of more than 150 hectares.



**AVIATION FOREST PROTECTION**

As part of the fight against climate change and its consequences, RUSAL contributes to the protection of forests from fires. The Company arranges monitoring and extinguishing of forest fires in summer in the area of up to 505 thousand hectares in the Nizhne-Yenisei forestry of Krasnoyarsk Territory.



**ARTIFICIAL REPRODUCTION OF AQUATIC BIOLOGICAL RESOURCES**

In addition to the assessment of biological diversity in rivers, the Company directly contributes to the restoration of the population of fish resources. Rusal enterprises release sturgeon juveniles into the Selenga and grayling fry into the Yenisei. Also, in the reporting year, 20.5 thousand sturgeon fry were released into the Chulyrn River. Over the past six years, more than 158 thousand juveniles of valuable fish species have been released into the tributaries of the Yenisei.



**THE GREEN WAVE INITIATIVE**

In the reporting year, Rusal employees planted 500 trees and bushes at a public garden in Krasnoyarsk. Local residents of the city also took an active part in the ecocampaign.

**RUSAL CASE STUDY**

**Assessment of ecosystem initiatives**

The implementation of forest projects focused on the synergy of development, climate, and nature has led to significant benefits to the environment, society, and economy:



Positive impact on the regulation of the water regime



Prevention of soil erosion and preservation of land



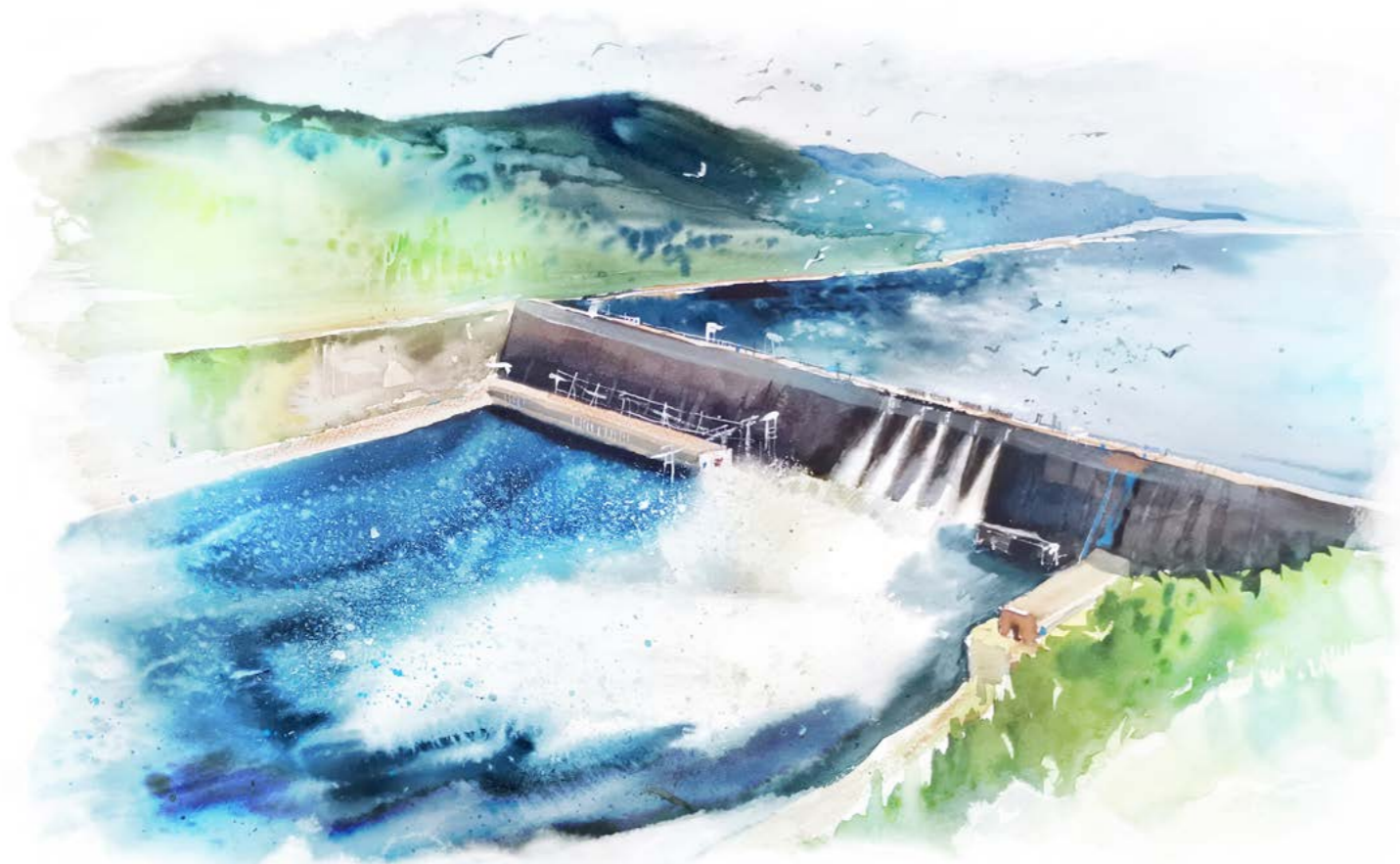
Development of cultural ecosystem services such as recreation areas, scientific research, education and training, etc.



Contribution to international and national projects, such as the UN's Trillion Trees campaign

The Company's efforts in reforestation and bird species conservation contribute to international and national projects, such as the global environmental Trillion Trees campaign (2018) designed to restore forests and combat climate change as a natural solution or the National Ecology project, and the federal Forest Conservation project.

## 2.2. Climate change and energy



### Material topics

ENERGY TRANSITION TO SUSTAINABLE SOURCES

CLIMATE CHANGE

AIR QUALITY

### 2021 highlights

↓ **11.6%**<sup>27</sup>      ↓ **4.2%**<sup>28</sup>

DIRECT SPECIFIC GREENHOUSE GAS EMISSIONS<sup>24</sup> COMPARED TO 2014

AVERAGE SPECIFIC ELECTRIC POWER CONSUMPTION COMPARED TO 2011

**A-**

CDP SCORE

### Our approach to TCFD disclosure

HKEX PARA 13 GRI 103-2, GRI 103-3, ASI PS 3.1

Since 2007, RUSAL has been implementing its climate strategy, aimed at reducing consumption oriented towards low material growth and lower resource and energy intensity.

The main principles of the strategy are as follows:

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

In 2020, RUSAL committed to disclose climate change-related data in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. In 2021, we committed ourselves to reviewing and quantifying climate change risks in the Sustainability Report under the TCFD project. This project was developed by En+ Group, and the results of the TCFD project for its Metals segment – RUSAL – are presented in this Report. The purpose of this disclosure is to improve and enhance reporting of climate-related financial information in Company's dedication to become more transparent for our stakeholders.

The information disclosure in line with the TCFD recommendations is a part of RUSAL's mechanism of climate change management. In order to assess effectiveness of our management approach to climate change, RUSAL undertakes internal and external audits and verification, uses data measurement and monitoring systems, participates in external ratings, benchmarking of competitors' indicators and collecting customer feedback in the form of surveys. In 2021, more than 10 extensive ESG surveys were completed, more than 200 requests related to carbon footprint were addressed in response to customers contacting us as well as proactively. The GHG emissions calculation for the Metals segment is certified by the independent authority TÜV Austria as part of the GHG audit and verification.

In the reporting year, RUSAL drastically changed governance of climate-related issues: the Company's Sustainability Directorate was established, including the Environmental and Climate Regulation Department. The Sustainability Directorate is a single centre of expertise that collects and analyses ESG data for the entire Company perimeter, explores opinions of key stakeholders on topics that are ma-

#### Metrics and targets

##### Targets

- RUSAL's strategic climate change-related goals up to 2025 (see the table in the Climate Strategy section, p. 66)
- 35% reduction in absolute emissions by 2030
- Carbon net-zero by 2050


#### Who's in charge?

- Health, Safety and Environmental Committee
- Department of Environmental and Climate Regulation
- GHG Emissions Control unit
- Audit Committee

#### Which guidelines do we follow?

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

terial to sustainable development of business, updates the sustainability strategy and strategic priorities, monitors implementation of priority projects and proposes draft resolutions on all these issues to the Company's Executive Committee and the Board of Directors.

 RUSAL honours all the En+ Group's climate commitments.

<sup>28</sup> At aluminium smelters.  
<sup>29</sup> At aluminium smelters.

# Governance

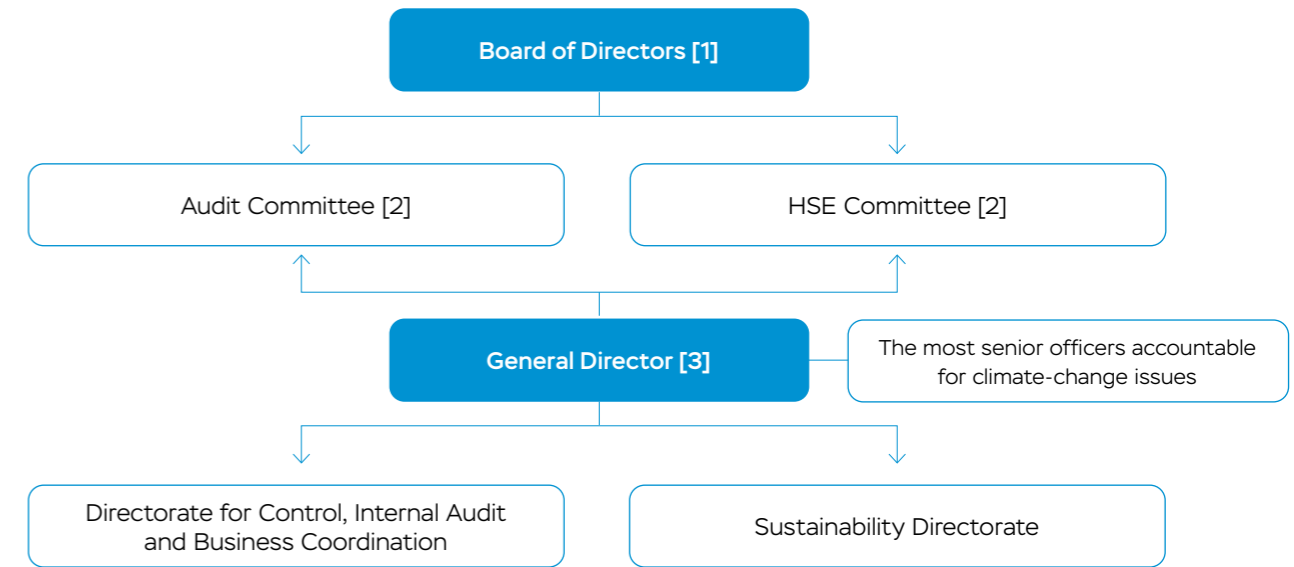
RUSAL acknowledges the role of climate risks and the consequences that they may lead to, and therefore, devotes special attention to them in the decision-making processes. RUSAL's activities to combat global warming fall within the scope of competence of the Company's Board of Directors.

## RUSAL's allocation of responsibility on climate change issues



In 2017, RUSAL's management approved the climate change strategic goals up to 2025. In 2021, several Board's meetings were held to make decisions, inter alia, on climate change issues.

## Climate change governance



[1] Oversight of the climate policy determination, the management approach, setting priorities  
 [2] Responsibility for climate change strategy, risk management and control  
 [3] Supervision of the climate policy implementation

## Climate Risk Management

GRI 103-1, GRI 201-2, HKEX KPI A4.1

RUSAL recognises the need for an immediate international response to the threats of climate change in all areas of social and economic activities and the need to promote the implementation of the Paris Agreement meant to keep the global average temperature growth below 2 °C and efforts to limit the growth to 1.5 °C.

Risk assessment is one of the stages in the Company's Climate Strategy.

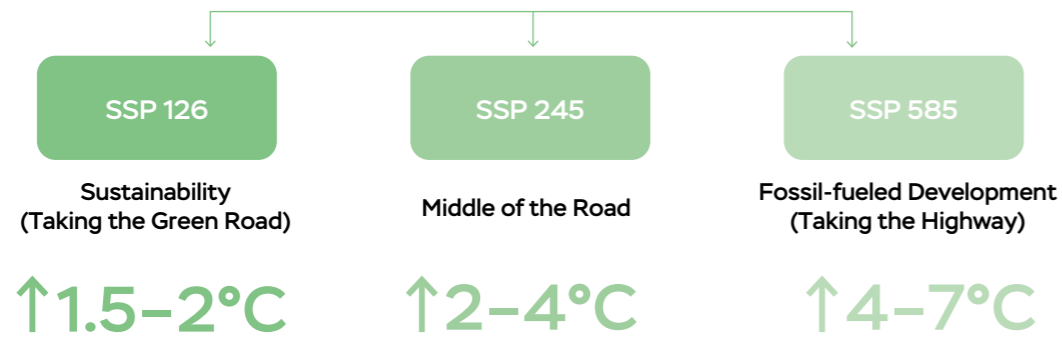
In 2020–2021, following primary assessment of climate-related risks pertaining to certain standard assets, En+ Group has identified risks related to climate, and analysed in view of climate conditions and climate-change scenarios in the regions where the Company operates and evaluated to build a climate risk register and to make then strategic decisions related to global climate change.

En+ Group prepared a report in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Besides the principles guiding the Group's approach to climate change, the report highlighted the identified and assessed risks for its assets and measures taken to mitigate those risks and adapt to them.

RUSAL used a **scenario analysis**<sup>30</sup> in line with the TCFD guidelines to assess climate risks and their potential impact on the Company's assets and processes. Several climate scenarios (Shared Socioeconomic Pathways or SSPs) were considered to assess how climate risks and opportunities might affect the Company. They address the changes in greenhouse gas concentrations in the atmosphere and the associated environmental consequences.

<sup>30</sup> The scenario analysis is based on the future-oriented climate models developed by the Intergovernmental Panel on Climate Change (IPCC). SSPs were used as boundary conditions for climate modelling.

RUSAL chose these three scenarios<sup>30</sup>:



The Sustainability pathway (the so-called “2 °C scenario”) describes a global shift and an emissions trajectory consistent with limiting the mean projected global temperature rise to 2 °C above pre-industrial levels. Since it

is well-aligned with the baseline goals of the Paris Climate Agreement, it is considered the key transition risk scenario.

In accordance with the TCFD methodology RUSAL identifies climate-related risks and opportunities in the short/medium/long term.

SHORT-TERM 2022	MEDIUM-TERM 2022–2025	LONG-TERM 2025–2050
0–1 year	2–3 years	Up to 10 years
<p>This horizon is used to set immediate decarbonisation objectives.</p> <p>A relatively low uncertainty as to the production performance, market development, regulatory changes, which provides a high degree of confidence in the business development forecasting.</p>	<p>Ensures acceptable confidence of assessing and forecasting performance and implementation of the planned measures.</p> <p>A greater divergence occurs between the high and low emissions scenarios across all risks and regions.</p> <p>The Company should identify the critical effects of climate change, develop adaptation measures, and form a technical and economic model for each asset.</p>	<p>A period with a higher uncertainty – activities and projects for that period are planned with a higher margin of resistance to variable factors.</p> <p>There is a potential for climate change to impact certain risks/ regions very significantly.</p> <p>The Company should adopt a long-term climate strategy, realise climate specific opportunities, incorporate appropriate design solutions that may help avoid or minimise potential damage to and impact on the environment.</p>

The comprehensive research helped to identify specific climate-related issues (both risks and opportunities) potentially arising over short/medium/long time horizon that

could have a material impact on the Company. The overall summary is presented in the table below:

SHORT-TERM 2022	MEDIUM-TERM 2022–2025	LONG-TERM 2025–2050
<b>Physical climate risks</b>		
<ul style="list-style-type: none"> <li>– Infrastructure disruption and reduced productivity due to abnormal precipitation (Krasnoyarsk region)</li> <li>– Infrastructure disruption (underflooding of quarries) due to abnormal precipitation (Republic of Guinea, Africa)</li> <li>– Supply disruptions and loss of productivity due to strong winds (Jamaica)</li> <li>– Decreased accessibility and reliability of drinking water sources due to average annual temperature growth</li> <li>– Operations interruptions in coastal regions due to a global sea level rise</li> </ul>		

<b>Transition climate risks</b>		
<p><b>Reputation</b></p> <ul style="list-style-type: none"> <li>– Sludge overflow that entails costs on eliminating the consequences of the accident and paying a fine<sup>32</sup></li> </ul>	<p><b>Policy and Legal</b></p> <ul style="list-style-type: none"> <li>– Expenses related to the purchase of offsets</li> </ul> <p><b>Technology</b></p> <ul style="list-style-type: none"> <li>– Capital expenditure on the transition to energy-efficient and energy-saving solutions in production processes</li> <li>– Decrease in demand for the Company’s products in the European markets</li> </ul> <p><b>Reputation</b></p> <ul style="list-style-type: none"> <li>– Sludge overflow that entails costs on eliminating the consequences of the accident and paying a fine<sup>32</sup></li> </ul> <p><b>Market</b></p> <ul style="list-style-type: none"> <li>– Reduced profit margins and competitiveness due to high carbon footprint</li> </ul>	<p><b>Policy and Legal</b></p> <ul style="list-style-type: none"> <li>– Expenses related to the purchase of offsets</li> <li>– Additional tax burden due to the CBAM introduction</li> <li>– Costs of arranging measures to adapt to and to minimise the impact of the global climate change</li> </ul> <p><b>Technology</b></p> <ul style="list-style-type: none"> <li>– Capital expenditure on the transition to energy-efficient and energy-saving solutions in production processes</li> <li>– Decrease in demand for the Company’s products in the European markets</li> </ul> <p><b>Reputation</b></p> <ul style="list-style-type: none"> <li>– Reduced investment appeal of the Company</li> <li>– Sludge overflow that entails costs on eliminating the consequences of the accident and paying a fine<sup>32</sup></li> </ul> <p><b>Market</b></p> <ul style="list-style-type: none"> <li>– Reduced profit margins and competitiveness due to high carbon footprint</li> </ul>

<b>Opportunities seen in physical climate risks</b>		
<ul style="list-style-type: none"> <li>– Reduced consumption of fuel and energy resources and required heating energy capacity due to a shorter heating season</li> <li>– Increased share of low-carbon electricity supply through solar energy development</li> </ul>		

<b>Opportunities seen in transition climate risks</b>		
<p>No climate-related issues with material financial impact were identified</p>	<ul style="list-style-type: none"> <li>– Additional profit from selling carbon credits in the domestic market</li> <li>– Additional profit associated with selling carbon credits in the global market as prescribed by Article 6.4 of the Paris Agreement</li> <li>– Use of Energy-Efficient Equipment in the Process Chain and Best Available Technologies (BAT), decarbonisation of processes and increasing investment in the production of low-carbon energy</li> <li>– Increasing investment attractiveness and demand for materials used in the transition to a decarbonised power system</li> <li>– Increased demand for less carbon-intensive products</li> </ul>	

In accordance with the TCFD recommendations, four categories of risks are considered: political and legal, technology, reputation and market. Among them, following the primary assessment of climate-related risks for standard assets, RUSAL highlights transition risks which are the key ones for the Company: offsets expenses, tax expenses due to the CBAM and expenses for eliminating the consequences of sludge-related accidents, decrease in demand for the Company’s products in the European markets.

RUSAL’s low-carbon products, with ALLOW low-carbon aluminium as a core, in addition to the continuous reduction of the carbon footprint of its products, is an important asset to help prepare for the introduction of the Carbon Border Adjustment Mechanism by the European Parliament and other related expenses.

<sup>31</sup> Keywan Riahi et al. The Shared Socioeconomic Pathways and their energy, land use, and greenhouse gas emissions implications: An overview, Global Environmental Change, Volume 42, 2017, p. 153-168, ISSN 0959-3780, https://doi.org/10.1016/j.gloenvcha.2016.05.009.

<sup>32</sup> The risk factor is related to physical risk (risk factor - physical, risk realization - transitional risk).

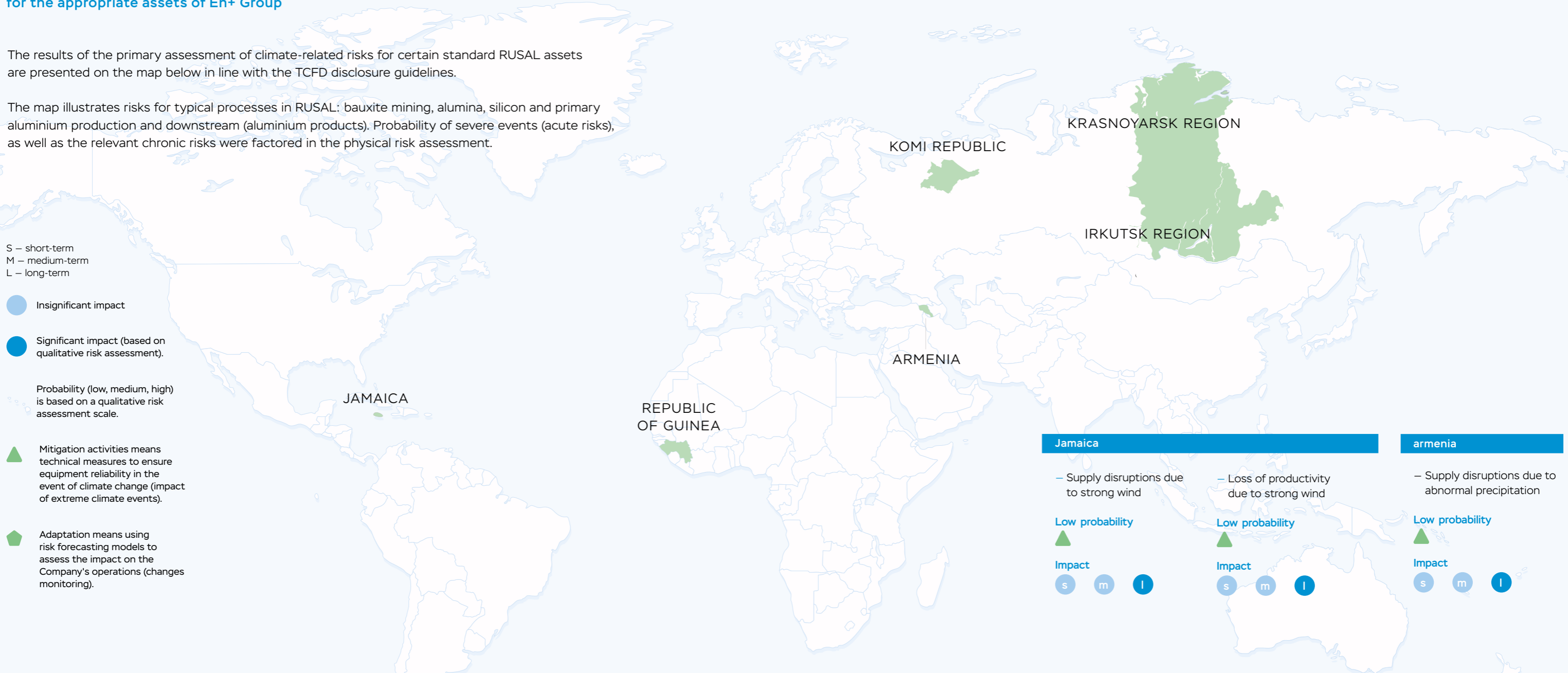
# Physical risks

## Key physical risks, the financial impact and the mitigation activities for the appropriate assets of En+ Group

The results of the primary assessment of climate-related risks for certain standard RUSAL assets are presented on the map below in line with the TCFD disclosure guidelines.

The map illustrates risks for typical processes in RUSAL: bauxite mining, alumina, silicon and primary aluminium production and downstream (aluminium products). Probability of severe events (acute risks), as well as the relevant chronic risks were factored in the physical risk assessment.

- S – short-term  
M – medium-term  
L – long-term
- Insignificant impact
- Significant impact (based on qualitative risk assessment).
- Probability (low, medium, high) is based on a qualitative risk assessment scale.
- Mitigation activities means technical measures to ensure equipment reliability in the event of climate change (impact of extreme climate events).
- Adaptation means using risk forecasting models to assess the impact on the Company's operations (changes monitoring).



### republic of guinea

- Infrastructure disruption (underflooding of quarries) due to abnormal precipitation
  - Loss of productivity due to abnormal heat
  - Infrastructure disruption due to abnormal precipitation
  - Loss of productivity due to abnormal heat
- High probability  
▲ ▲
- Impact  
s m l
- High probability  
▲
- Impact  
s m l
- Low probability  
▲
- Impact  
s m l
- High probability  
▲
- Impact  
s m l

### komi republic

- Infrastructure disruption (underflooding of quarries) due to abnormal precipitation
- Low probability  
▲
- Impact  
s m l

### krasnoyarsk region

- Infrastructure disruption due to abnormal precipitation
  - Reduced productivity due to abnormal heat
- Low probability  
▲
- Impact  
s m l
- Medium probability  
▲
- Impact  
s m l

### irkutsk region

- Breaching of the integrity of production facilities due to abnormal precipitation
- Low probability  
▲ ▲
- Impact  
s m l

### Jamaica

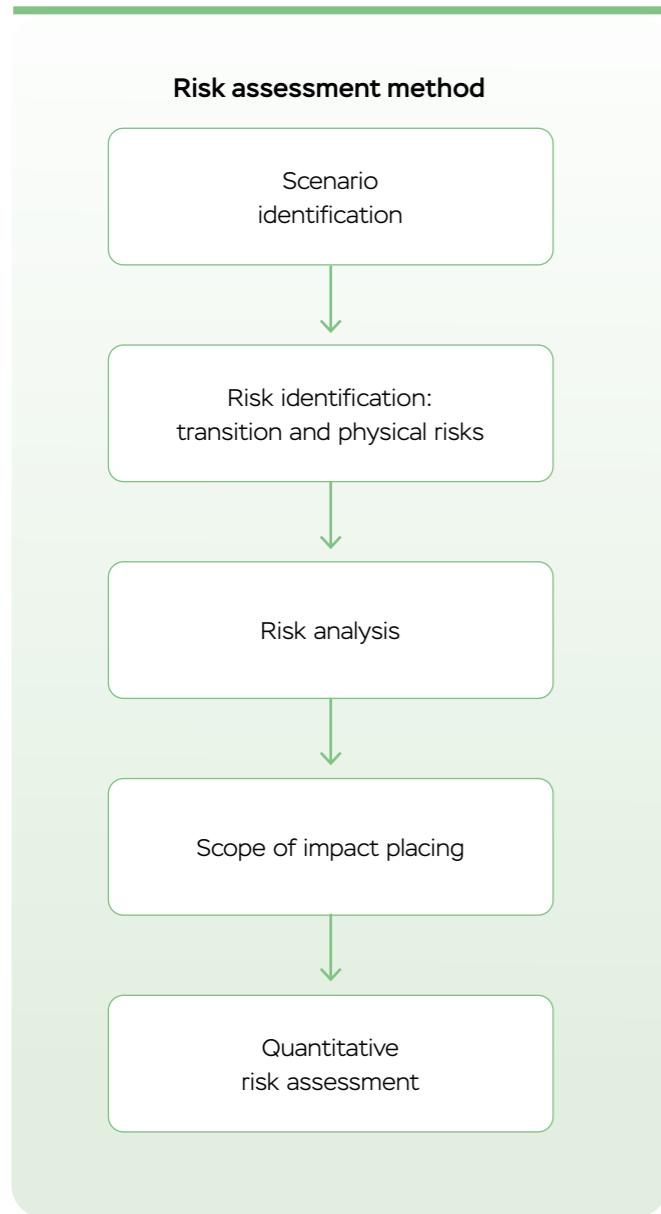
- Supply disruptions due to strong wind
- Low probability  
▲
- Impact  
s m l

### armenia

- Supply disruptions due to abnormal precipitation
- Low probability  
▲
- Impact  
s m l

- Loss of productivity due to strong wind
- Low probability  
▲
- Impact  
s m l

The Company is currently developing a climate risk management system. Currently, the climate risks are not indicated in the general risk matrix. From 2022, RUSAL is going to consider climate risks within the Company's risk portfolio.



Within the framework of the Risk Management Policy adopted by the Company, risks are assessed by determining:

- their likelihood
- their impact
- how critical they are

Using the first two factors, the risks are ranked with the most critical among them ascertained, and then the priorities are determined.

Risk management is a continuous process at all levels.

The Audit Committee and the Board of Directors review the risk profile, on a quarterly and annual basis. In case of a significant risk materialising or threatening to materialise, respective managers are informed. To stimulate and ensure a reduction in greenhouse gases emissions, the Company uses KPI-based annual bonuses for managers.

To manage physical risks, RUSAL plans to monitor constantly operational activities and the supply chain in compliance with the requirements for occupational health, safety, and environment. To prepare for and lessen the effect of any physical risks related to climate that may potentially damage the Company's operations and supply chain, we will develop a climate risk mitigation strategy with the first step being a qualitative register of physical risks.

All these preventive and protective measures will help RUSAL to build a holistic and effective climate risk strategy that ensures Company's resiliency.

## Climate strategy

### Pathway to Net Zero

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

RUSAL fully understands and recognises that climate change poses major risks and challenges to the planet. That is why a shift towards a low-carbon future is one of the key principles of our business. As one of the largest players in the industry, the Company is committed to taking proactive measures based on the sustainability principles to mitigate climate change.

RUSAL was the first Russian company to join the UN Global Compact in 2002 and one of the first Russian companies to support the adoption of the SDGs at the UN level in 2015. The Company's efforts to combat climate change and integrate sustainability principles into its

operating model and into industry-wide practices make a measurable contribution to the achievement of SDG 13 (Climate action) and SDG 17 (Partnerships for the goals).

In 2021, EN+ Group published its first the Pathway to Net Zero Report covering the initiatives being undertaken across the En+ Group to achieve its Net-Zero ambition – the climate targets announced earlier in January 2021.

**by 2030** to reduce GHG emissions by 35%

**by 2050** to achieve net zero  
(in line with the Paris Agreement)

### RUSAL ALLOW brand: aluminium with a low-carbon footprint

RUSAL has been offering its customers ALLOW low-carbon aluminium, produced using renewable hydropower, since 2017. Hydro-powered primary aluminium production generates four-to-five times less GHG emissions than the coal-powered one – which is key to meeting the growing demand for low-carbon metal. ALLOW aluminium allows customers to ensure that their products meet stringent environmental requirements throughout all the stages of the production chain, to calculate and reduce the carbon footprint of their products, and to make a positive contribution to their corporate climate strategy.

**ALLOW**

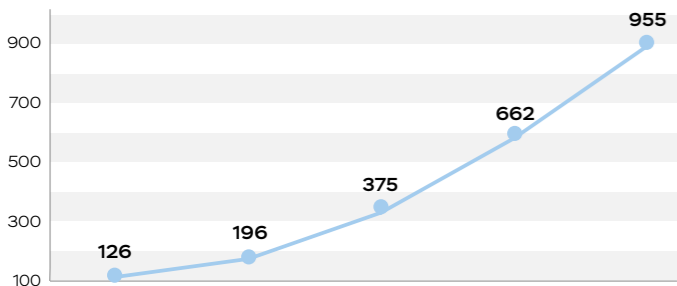
**12.5 t CO<sub>2</sub>e/t Al<sup>32</sup>**  
average carbon footprint across aluminium industry

**2.4 t CO<sub>2</sub>e/t Al<sup>33</sup>**  
ALLOW carbon footprint

<sup>33</sup> Level 1 in accordance with Aluminium Carbon Footprint Technical Support Document (2018) www.international-aluminium.org/wp-content/uploads/2021/08/AL31DA1-1.pdf.  
<sup>34</sup> IAI data, 2018. Level 1 in accordance with Aluminium Carbon Footprint Technical Support Document (2018) www.international-aluminium.org/wp-content/uploads/2021/08/AL31DA1-1.pdf.



**ALLOW sales, Mt**



In 2021, more than 100 RUSAL's customers opted for ALLOW-branded aluminium with total volume contracted exceeding 955 kt.

We expect to see continued growth of demand for low-carbon and circular aluminium, up to x2 in the coming 3-5 years.

**ALLOW advantages:**

2,4 T CO <sub>2</sub> E/T AL CARBON FOOTPRINT	INDEPENDENT VERIFICATION	REDUCTION COMMITMENT
<p>Over five times lower than the global average of around 12 t (Scope 1 &amp; 2, at aluminium smelters).</p> <p><small>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. IAI data, 2018. Level 1 in accordance with Aluminium Carbon Footprint Technical Support Document (2018) www.international-aluminium.org/wp-content/uploads/2021/08/</small></p>	<p>Carbon footprint assessments are verified independently by an international audit firm on a yearly basis. Its official verifications are available for our customers upon request. In 2021, the ALLOW carbon footprint was verified by a third party: TUV Austria reviewed the calculations made by the Company and confirmed the compliance with necessary requirements and methods.</p>	<p>The commitment to achieve carbon neutrality by 2050, i.e. a zero balance of GHG emissions and absorption, will be possible, among other things, thanks to the production of low-carbon aluminium.</p>

**The role of ALLOW in RUSAL's New 2022–2030 Strategy**

**Our sustainability strategy at a new stage means using advanced technology and scientific research and separating business growth from the environmental impact (a decoupling effect), to create metallurgical production and consumption in a class of their own that meets the needs of the economy of the future (future-fit)**

By launching the ALLOW brand in 2017, RUSAL secured a position as the world's largest producer of low-carbon aluminium<sup>34</sup>. RUSAL's upcoming challenge is to propose to the market a transformational model that will shape the aluminium industry as a strong base of the economy of the future and will give consumers an access to Company's sustainable products.

- Cyclical and reasonable combination of primary and secondary material resources
- Ready for carbon neutrality by 2050
- Based on a fair, safe, and inclusive interaction model across the value chain

<sup>35</sup> 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.

**Greenhouse gas emissions reduction programme**

The reduction in RUSAL's GHG emissions came as a result of numerous energy efficiency and energy saving projects and modernisation initiatives directly related to reduced consumption of raw materials and fuel and use of the best available and innovative technologies.

**RUSAL CASE STUDY**

**Inert anode technology**

RUSAL continues to improve the technology of an inert anode in order to scale and performs small-scale supplies of aluminium produced by the company using this advanced decarbonisation technology. The technology of an inert anode makes it possible to produce aluminium with the lowest carbon footprint. This technology eliminates carbon emissions from the smelting process by replacing carbon anodes with inert anodes that release oxygen.

**RUSAL CASE STUDY**

**World's leading low-carbon refinery in Ireland**

After 20 years of continuous focus on decarbonisation, Aughinish Alumina in Ireland today is the world's leading low-carbon high temperature refinery. With low-carbon alumina produced on this facility, RUSAL's ALLOW aluminium made from renewable hydropower has one of the lowest carbon footprints in the industry.

Aughinish alumina is actively implementing various decarbonisation projects, among them: installation of a renewable energy electric boiler (25 MW). This will further reduce Aughinish's carbon footprint. The European Union recognised this project by giving preliminary approval for grant funding from the EU Innovation Fund.

**Performance under 2025 RUSAL climate strategy**

**HKEX KPI A2.3, ASI 3.1, SASB EM-MM-110a.2**

Despite the challenges of the past few years that the companies had to navigate through, RUSAL adheres to its strategic climate goals which underpin its sustainable business strategy. The Company continues producing low-carbon footprint aluminium under ALLOW brand and promoting energy-efficient technologies to further reduce its environmental impact.

Therefore, RUSAL is implementing environmental initiatives designed to reduce direct specific greenhouse gas

emissions by 15% and by 10% vs. the 2014 level in Company's aluminium and alumina operations. These projects are aimed at improving product quality, reducing costs, and resolving technological issues. The Company continues to seek and develop new climate initiatives as well as carefully monitors the progress and the impact of the current ones to ensure considerable GHG reduction effect which in turn contributes to achieving its strategic goals.

RUSAL's strategic climate change-related goals up to 2025 and overview of the 2021 results

GRI 305-5

Goal	Results in 2021
Purchase at least 95% of electricity from hydroelectric power plants and other types of carbon-free power generation for aluminium smelters. The Company has already achieved the goal ahead of schedule.	In 2021, the energy mix at RUSAL aluminium smelters was as follows: <ul style="list-style-type: none"> <li>– hydropower (HPP): 98.8%</li> <li>– nuclear (NPP): 0.01%</li> <li>– wind: 0.6%</li> <li>– fossil fuels (TPP): 0.6%</li> </ul>
Reduce direct specific GHG emissions by 15% in existing aluminium smelters vs. the 2014 level.	In 2021, there was a 11.6% reduction in the specific GHG emissions as compared to the 2014 level.
Reduce direct specific GHG emissions by 10% vs. the 2014 level in existing alumina smelters.	In 2021, the reduction in the specific GHG emissions stood at 2.4% compared to the 2014 level.
Reduce average specific electric power consumption by aluminium smelters by 7% vs. the 2011 level.	In 2021, the reduction of average specific electric power consumption by aluminium smelters stood at 4.2% compared to the 2011 level.
Achieve an average of specific direct and indirect GHG emissions of no more than 2.7 tonnes of the CO2 equivalent per tonne of aluminium.	The goal was achieved in 2017. In 2021, the value stood at 2.2 tonnes of CO <sub>2</sub> equivalent per tonne of aluminium.
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.
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 22.

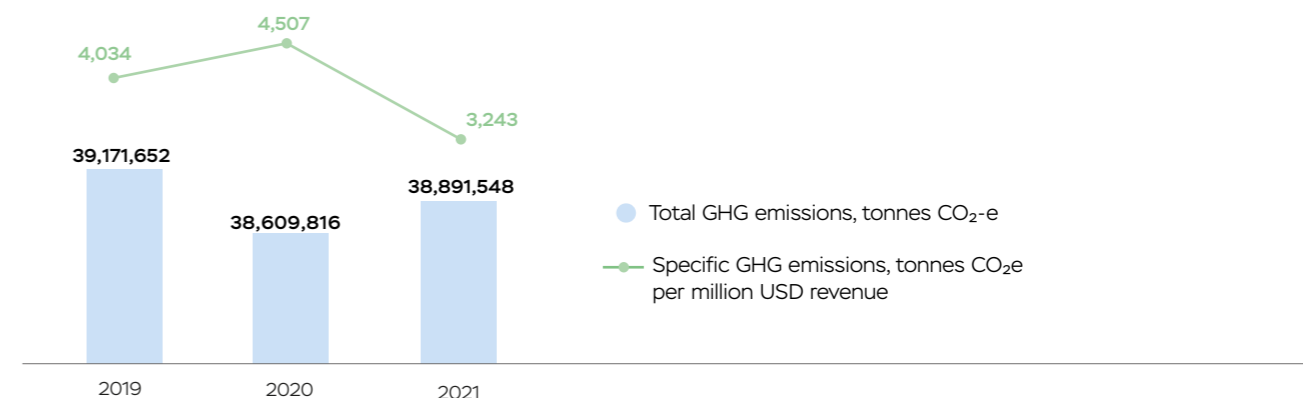
The Company's goal to purchase at least 95% of electricity from hydroelectric power plants and other types of carbon-free power generation for aluminium smelters was successfully reached, and we are getting ahead of it year after year. Currently, the Siberian hydropower plants provide around 93% of our total electricity needs. This is determined using a physical method based on ATS OJSC data related to the balance of electricity production and consumption in a specific node of the power system. The

main part of electricity is purchased under direct supply contracts from carbon-free generators (HPPs and NPPs), while the remaining part of the electricity supply, purchased on the wholesale market, also contains electricity from carbon-free sources.

In 2021, specific GHG emissions (Scope 1, 2 and 3) declined by 1,264 tonnes of CO<sub>2</sub>e per 1 million USD and amounted to 3,243 tonnes of CO<sub>2</sub>e per 1 million USD.

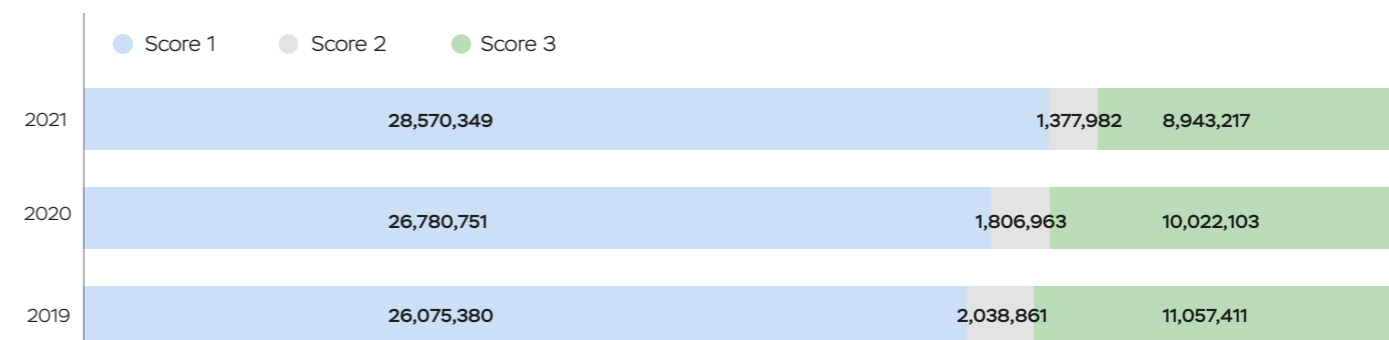
RUSAL's total and specific (Scope 1, 2 and 3<sup>35</sup>) GHG emissions, 2019–2021, t CO<sub>2</sub>e<sup>36</sup>

HKEX KPI A1.1, A1.2, ASI PS 5.1, GRI 305-4, TCFD



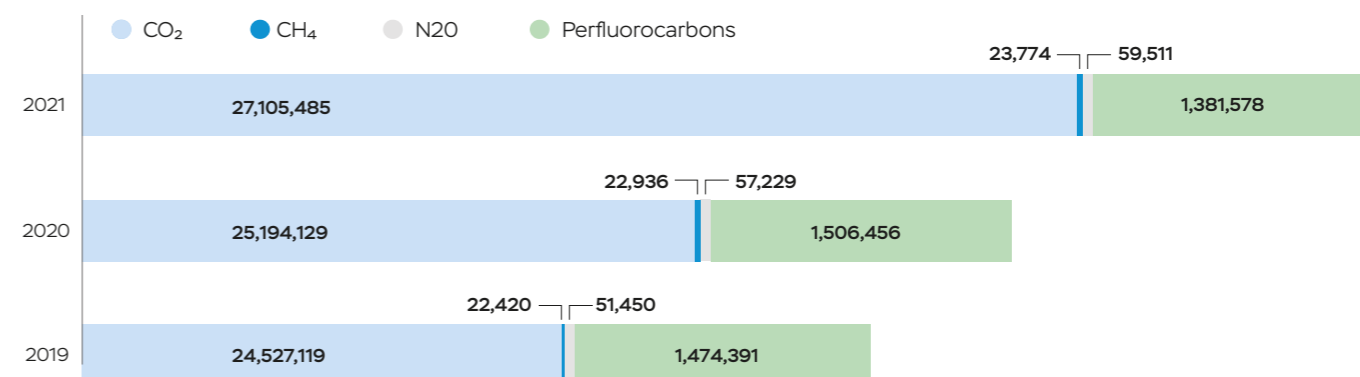
Direct (Scope 1) and indirect (Scope 2 and 3) GHG emissions, 2019–2021, t CO<sub>2</sub>e .

GRI 305-1, GRI 305-2, GRI 305-3, TCFD, SASB EM-MM-110a.1



GHG emissions (scope 1) by components, 2019-2021, t CO<sub>2</sub>e

ASI PS 5.2



<sup>36</sup> All calculations are made in accordance with the GHG Greenhouse Gas Protocol. Scope 3 energy indirect emissions include emissions from fuels and raw materials purchased by the Company.


<sup>37</sup> Hereinafter, in the section, the data on greenhouse gas emissions in 2019 and 2020 do not include the volume of emissions at the enterprises of the Downstream Division. Data for 2021 include emissions at the enterprises of the Downstream Division, which in 2021 amounted to 154,787.67 tonnes of CO<sub>2</sub>e (Scope 1, 2 and 3).

## Expert community recognising RUSAL's climate initiatives

### Aluminium Stewardship Initiative certification (ASI)

As there is a high demand from the global community for embedding the sustainability principles into business at its core, since 2015, RUSAL has joined the Aluminium Stewardship Initiative (ASI). It is currently a global, multilateral, non-governmental organization for the development of standards and certification systems. ASI's main commitment is to maximize aluminium's contribution to the sustainable development of society.

The ASI Performance Standard requirements cover 11 groups of criteria including business ethics and governance, environmental performance, human rights and social practices. RUSAL has made considerable progress by gaining 13 certifications under the requirements of ASI standards (ASI Performance Standard and ASI Chain of Custody).

 For more details on the Company's progress, please see **p. 24**.

### Market recognising the LCA product category

#### RUSAL CASE STUDY

##### 26th UN Climate Change Conference COP26

###### At the COP26 UN Climate Change Conference in Glasgow, En+ Group confirmed its commitment to achieving Net Zero

In November 2021, RUSAL attended the 26th UN Climate Change Conference in Glasgow (UK). At panel discussions "Aluminium Greenhouse Gas Pathways to 2050", organised by En+ Group, with the support of the Climate Partnership of Russia and the International Aluminium Institute (IAI), RUSAL discussed the risks and opportunities faced by the aluminium industry in regard of the Net Zero strategy, and the possibility of overcoming technological barriers, which currently prevent further decarbonisation of the initial stages of the primary aluminium production and the supply chain.

#### RUSAL CASE STUDY

##### LME Week

###### The London Metal Exchange (the LME) announced the first sustainability disclosures registered on its newly launched digital credentials register, LMEpassport

In October 2021, during the LME Week RUSAL was among the first nine producers to disclose sustainability-related data in LMEpassport – the LME's newly launched digital credentials register for LME-listed metals.

This proves RUSAL's commitment to transparent disclosures about its metals, including sustainability information. As a first step, RUSAL beta-tested the evolving LMEpassport for one of its primary aluminium smelters – Boguchansky smelter in Krasnoyarsk Territory. RUSAL will continue the work to further enhance and automate LMEpassport inputs, aligning those with its corporate digitisation plans.

In the future, LMEpassport will further permit disclosure of datasets or certifications that are supported by the mining and metals industries and are relevant to ESG transparency in these sectors.

In 2021, RUSAL continued its research and popularisation activities in the field of low-carbon aluminium.

#### White Paper

##### Market context: White Paper 'Low-carbon aluminium, a key ingredient to deliver Japan's Green Growth Strategy'

The paper highlighted the critical role of low-carbon aluminium as a part of Japan's Green Growth Strategy, underpinning the green energy transition and the further evolution of the circular economy.

The research based on the market data showed a projected 20% increase in demand for aluminium semi-finished products from businesses in Japan between 2020 and 2025. While Japan benefits from almost 100% recycling rates for cast aluminium products, primary aluminium will still be required to meet more than 50% of the projected demand. The paper warned that the high energy intensity of aluminium production means raw materials imported into Japan can have vastly different embedded emissions based on the power sources used.

##### The paper proposed Japanese industry:

- to create 'cradle to gate' partnerships with low carbon aluminium products as a core, whilst supporting research and development, design for sustainability and circularity, and investment in low-carbon innovations
- to consider the use of foreign development funding to support low-carbon supply chains for Japanese businesses.

#### White Paper

##### Market context: White Paper 'Low-carbon aluminium: the key to unlocking Korea's Carbon Neutral Strategy'

The paper highlighted the vital role low-carbon aluminium would have to play to avoid embedded emissions spiralling under Korea's Carbon Neutral Strategy

The research forecasted a boom for the country's downstream aluminium producers, expecting a 20% increase in aluminium demand in Korea between 2020 and 2025 (with 27% and 18% rise in automotive and construction sectors), but warned of the need to transition to low-carbon sourcing as green industries in Korea increasingly look to align supply chains for products with their climate mission.

##### The paper called:

###### Korea's downstream aluminium producers:

- to work with their primary metal suppliers to enhance emissions disclosure and set phased pathways for decarbonisation
- to collaborate throughout the supply chain, including joint R&D, investment and advocacy.

###### Policymakers:

- to set clear standards for emissions disclosure
- to promote guidelines for green public procurement, a clear benchmark for what constitutes low-carbon aluminium
- to reduce import tariffs on aluminium that meets a low-carbon standard, increasing the availability of decarbonised sustainable materials.

## 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

To reach its 2025 climate goals and perform net zero commitment, RUSAL will need to upgrade all its produc-

tion facilities, as well as to introduce innovative technologies throughout the production chain, including energy efficiency projects.

#### Modernisation projects:

Switching half of the capacity at Krasnoyarsk, Bratsk, Shelekhov, and Novokuznetsk to pre-baked technology	Energy Efficiency projects at Alumina refineries on a regular basis	The best available electrolysis technologies
<b>2025-2030</b>	<b>2025-2030</b>	
<ul style="list-style-type: none"> <li>Increasing the share of aluminium produced using the modern pre-baked technology and reducing carbon intensity of primary aluminium production at smelters by converting half of the capacity to pre-baked anode technology.</li> <li>The programme will reduce energy consumption by 11-18%.</li> <li>The programme will reduce the smelters' emissions of fluorides and resinous substances, including benzo(a)pyrene. This will also reduce energy consumption.</li> <li>Estimated CAPEX – USD 3.6 billion.</li> </ul>	<ul style="list-style-type: none"> <li>Installation of more efficient equipment and improvement of operational control at alumina refineries.</li> <li>The programme will reduce the smelters' emissions.</li> </ul>	<ul style="list-style-type: none"> <li>RUSAL embeds the best available electrolysis technologies in the world: RA-300, RA-400, RA-550 and inert anode electrolysis.</li> <li>In 2021, the Company had put into operation 119 energy-saving electrolysers on facilities of the aluminium division.</li> <li>Thanks to the implementation of energy-saving measures, at the facilities of the aluminum division, the specific total energy consumption in 2021 decreased by 470 kWh/t compared to 2013 (the year, when the projects were launched).</li> </ul>

#### RUSAL CASE STUDY

##### Upgrades to Sayanogorsk and Khakas aluminium smelters

In 2021, RUSAL invested over RUB 4.5 billion to upgrade the Sayanogorsk and Khakas aluminium smelters. The majority of financing was spent on:

- the upgrade of the production of electrodes (modernisation of anode baking furnaces at the electrode production facility).
- the installation of new equipment in the foundry.
- improving the energy efficiency of enterprises.
- improving the reliability of power supply to enterprises (incl. construction of a 220-kW substation and replacement of two transformers).

## Energy efficiency results

Regarding energy efficiency, RUSAL has two strategic goals until 2025. RUSAL committed to reduce average specific electric power consumption by aluminium smelters by 7% as compared with the 2011 level, by 2025 and purchase at least 95% of electricity from hydroelectric power plants and other types of carbon-free power generation for aluminium smelters. The projects mentioned above, and a wide range of others are focused on these goals.

The energy mix is verified on an annual basis by a third-party independent auditor. In 2020 and 2021, it was conducted by TÜV Austria. In 2021, the energy mix at RUSAL aluminium smelters changed slightly in comparison with 2020.

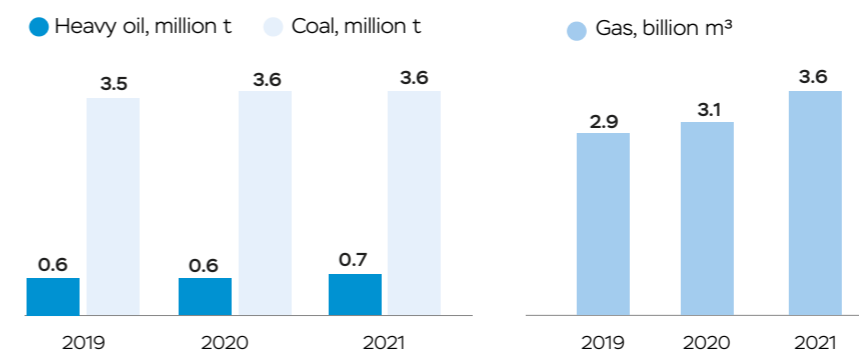
SASB EM-MM-130a.1

Energy mix at aluminium smelters		
	2021	2020
Hydropower (HPP)	98.77%	98.55%
Nuclear (NPP)	0.01%	0.02%
Wind	0.58%	0.57%
Fossil fuels (TPP)	0.64%	0.87%

HKEX KPI A2.1 RUSAL strives to become the most efficient and environmentally friendly producer of aluminium in the world. To achieve this goal, the Company is seeking to reduce both the overall energy consumption as well as energy intensity of production. RUSAL is constantly performing measures to reduce its energy intensity ratio.

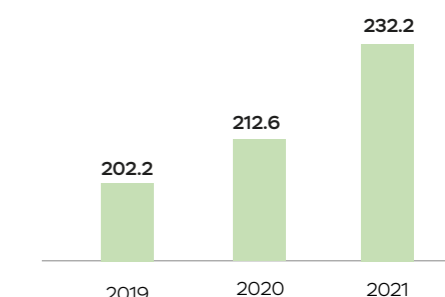
For more information about energy efficiency indicators please see Appendix 2. Key Sustainability Data section, p. 163

#### RUSAL's fuel consumption by type, 2019-2021



#### Total RUSAL's energy consumption from fuel, 2019-2021, mln GJ

GRI 302-1



# 03.

## SOCIAL ASPECT

Contribution to UN SDGs



# 57,933

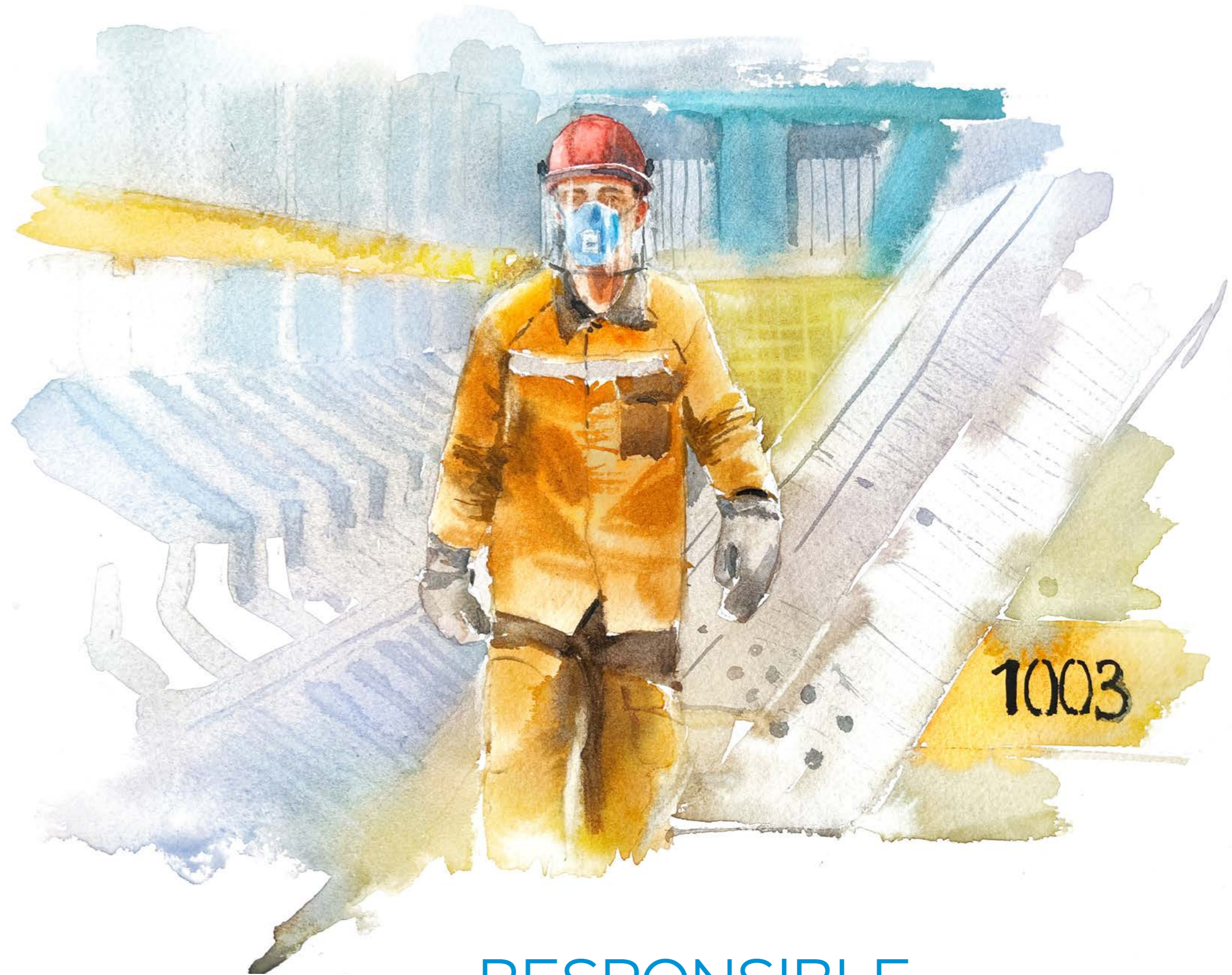
TOTAL HEADCOUNT  
AT THE END OF THE YEAR

# 0.15<sup>38,39</sup>

LTIFR

# \$45.12

MILLION ALLOCATED TO  
FUND SOCIAL AND CHARITY  
PROGRAMMES



## RESPONSIBLE CARE

<sup>38</sup> Here and further in the section, the LTIFR indicator is calculated for 200 thousand man-hours worked and includes cases of severe and minor injuries with temporary disability registered by the Company for the specified period.  
<sup>39</sup> Here and further in the section, the LTIFR indicator is calculated taking into account the main contractor ECM LLC. The LTIFR indicator calculated for full-time employees is 0.16.

# 3.1. Employees

**Material topics**

HUMAN RESOURCE ENGAGEMENT

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ETHICS AND HUMAN RIGHTS

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SOCIAL AND CULTURAL DIVERSITY AND EQUAL OPPORTUNITY

**2021 highlights**

**57,933**

TOTAL HEADCOUNT AT THE END OF THE YEAR

**10.6%**

EMPLOYEE TURNOVER RATE

**10,508**

EMPLOYEES TRAINED

**84.6%**

OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS

## Management approach

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

Personnel management efficiency is of critical importance to RUSAL that seeks to develop and enhance it within the framework of management approach. That is why RUSAL is regularly making improvements in this area through implementing the best tools and techniques.

RUSAL's management approach complies with the international standards, as well as the laws of the countries where the Company's facilities operate.

Since the Company values the employees' rights and strives to protect them, it has adopted the HR Management Policy to consolidate the basic corporate principles. RUSAL is guided by the current personnel management strategy, which includes measures to increase employee engagement, loyalty, and satisfaction.

In order to assess the personnel management efficiency and observance of human rights, RUSAL conducts regular data monitoring on the KPI implementation in relation to the stated goals and strategic priorities, collecting feedback from stakeholders, including through grievance redress mechanisms.

### Boosting the efficiency of internal processes

RUSAL launched the General Service Centre (GSC) to consolidate the personnel administration, recruitment, and remuneration functions. Currently, the GSC serves about 40 RUSAL's enterprises with a total number of employees of about 39,000 people.

**Targets and strategic priorities**

- Continued implementation of the programme to increase the level of wages.
- Further expansion of the scope of the General Service Centre.
- Expansion of the housing programme.
- 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 on that platform (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?**

- HR Directorate

**Which guidelines do we follow?**

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

## Personnel structure

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

**At the end of the reporting year, the total Company headcount stood at 57,933 people<sup>40</sup> employed at 44 enterprises in 13 countries across the world. About 83% of employees work in Russia.**

Almost all of the employees (99% in 2021) work as permanent staff. The share of part-time employees and freelancers has held around 1% in the past few years.

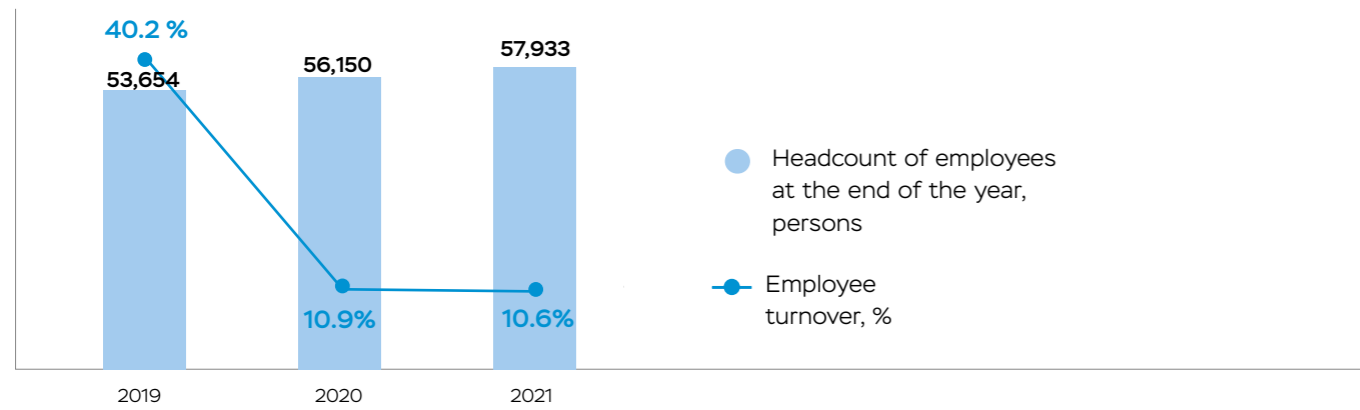
In the reporting year, overall staff turnover at RUSAL facilities was 10.6% (10.7% for men, 10.3% for women).

At the same time, employee turnover at the Company's enterprises operating in Russia was 11%, while at the foreign enterprises where the Company operates it stood at 8.7%. At the Company's Russian facilities, employee turnover was up 0.2% compared to 2020, while for the foreign enterprises this indicator fell by 3%.

<sup>40</sup> Here and hereinafter in the section "Employees" personnel management indicators do not include the number of employees of Aluminium Rheinfelden enterprises acquired by MKPAO «OK RUSAL» in April 2021. The headcount at these entities as at 31.12.2021 was 210 people.

### Headcount of employees at the end of the year and employee turnover, 2019–2021<sup>41</sup>

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



### Total number of employees by country<sup>42</sup>, 2021 year-end

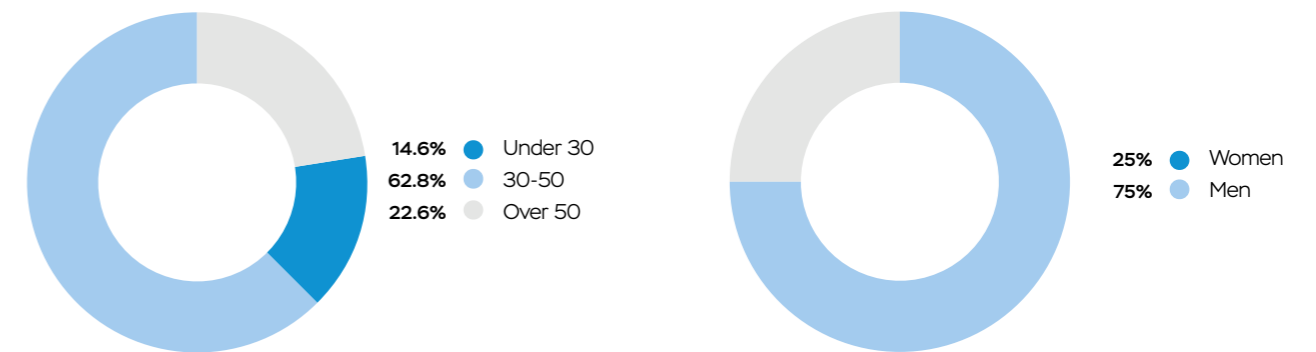
47,873	Russia
3,816	Guinea
2,899	Ukraine
1,134	Jamaica
676	Republic of Armenia
488	Sweden
459	Ireland
228	Italy
113	Guyana
119	Nigeria
128	Other

In the past few years, there was no significant change in the gender and age composition of employees, these figures remained stable. Due to the nature of the Company's activities, the bulk of employees are men (75.1%).

In the reporting year, over half of all employees (62.8%) were between 30 and 50 years old. The number of people under 30 is a significant proportion, as the Company has been actively hiring young professionals.

### Employee structure by age and gender, 2021, %

GRI 405-1, HKEX B1.1



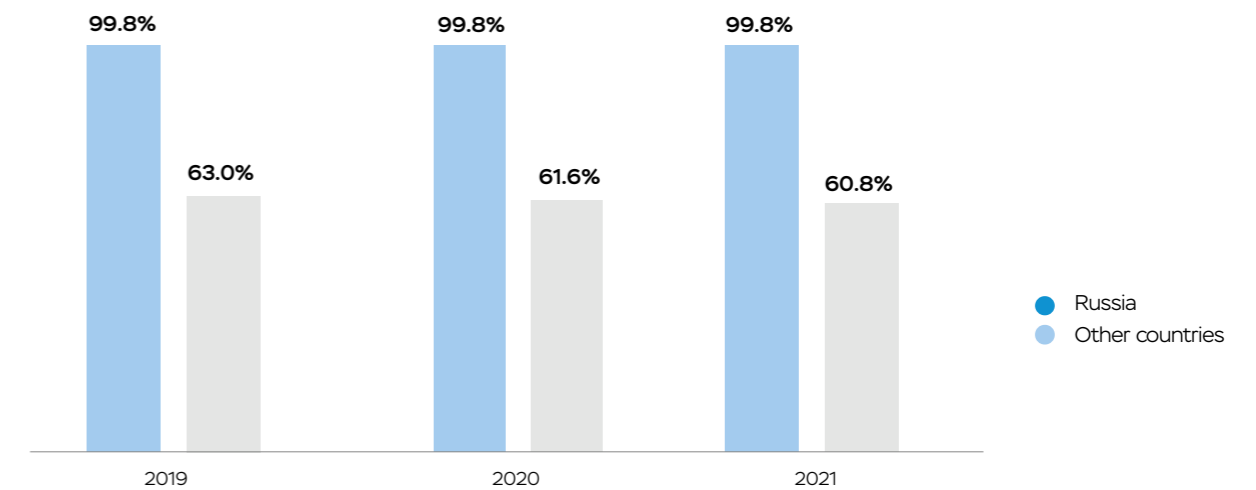
The largest group of employees is represented by production workers (78%), while senior management staff accounts for around 1% of the total headcount.

The Company is striving to support local communities hiring representatives from the local population while

searching for employees. RUSAL considers candidates from other regions only if highly qualified candidates with the appropriate level of knowledge and experience cannot be found among the local population.

### Share of senior managers recruited from the local population in Russia and other countries, 2019–2021, %<sup>43</sup>

GRI 202-2



<sup>41</sup> Employee turnover was recalculated for 2019–2021 due to a change in the approach to calculating the indicator. When calculating the indicators, the value of the total headcount at the end of the year was used instead of the average headcount.

<sup>42</sup> "Other Countries" are defined as countries where the total workforce at the end of the reporting period is less than 100.

<sup>43</sup> The share of senior managers recruited from the local population in Russia and other countries was recalculated for 2019–2021 due to the enhancements made to the reporting process. When calculating the indicators, the total headcount value at the end of the year was used instead of the average headcount. The geographical definition of 'local population' includes a country.

## Staff recruitment

Staff efficiency is at the core of RUSAL's recruitment approach. That is why the Company is striving to implement projects focused on attracting highly qualified personnel and finding new talent. During the staff recruitment process, special attention is paid to motivating candidates and their embracing the Company's corporate values. In 2021, RUSAL launched Univer, a new digital platform to facilitate staff recruitment process that consolidates all the job opportunities and internships offered by RUSAL and En+. The Company also advertises job openings on the public recruitment website hh.ru.

### Attracting young talent

The Company actively interacts with young people who have a good educational level and the necessary qualifications and seeks to recruit them. For this purpose, RUSAL is implementing practices aimed at younger generation.

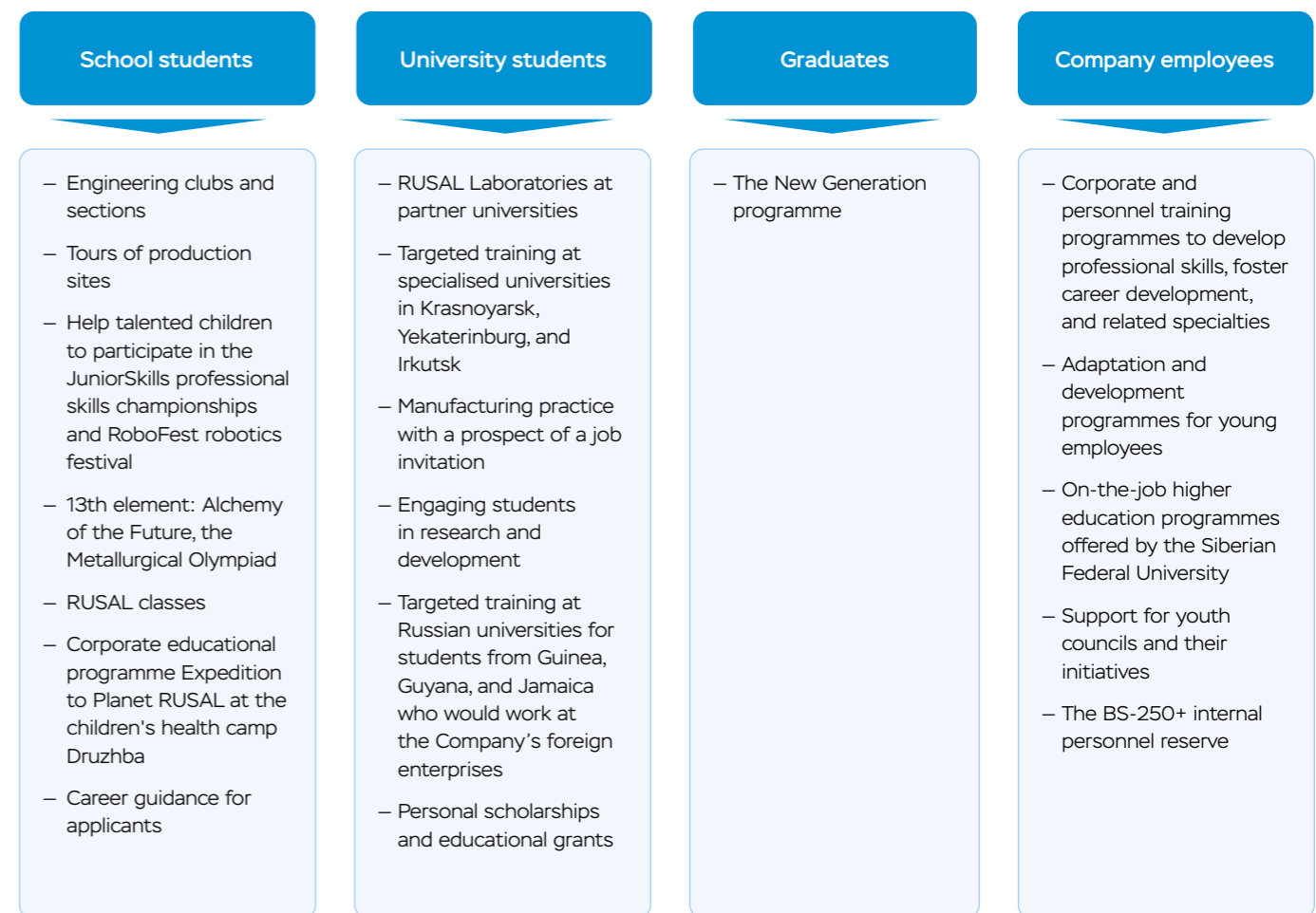
Within its targeted training programme, the Company provides students with a sought-after profession and a guaranteed job. School graduates that have successfully passed the Unified State Exam and interview process and who are medically fit to work at mining and metallurgical facilities can participate in this programme.

In the reporting period, the Company continued to implement a programme for the material and non-material support of foreign students. 75 Guinean and 2 Jamaican students took part in the programme.

RUSAL supports students of the Non-Ferrous Metals Metallurgy and Mining specialties at the universities of Krasnoyarsk, Yekaterinburg, and Irkutsk. For that purpose, the Company provides corporate scholarships and fully covers education, materials, accommodation, and travel expenses.

RUSAL encourages the most distinguished students of full-time and higher education institutions, who strive to become proficient in the mining and metallurgical specialties that are in demand at the Company and demonstrate success in academic, scientific, research, social, and volunteering activities. Such students are offered personal scholarships.

## Engaging with young people



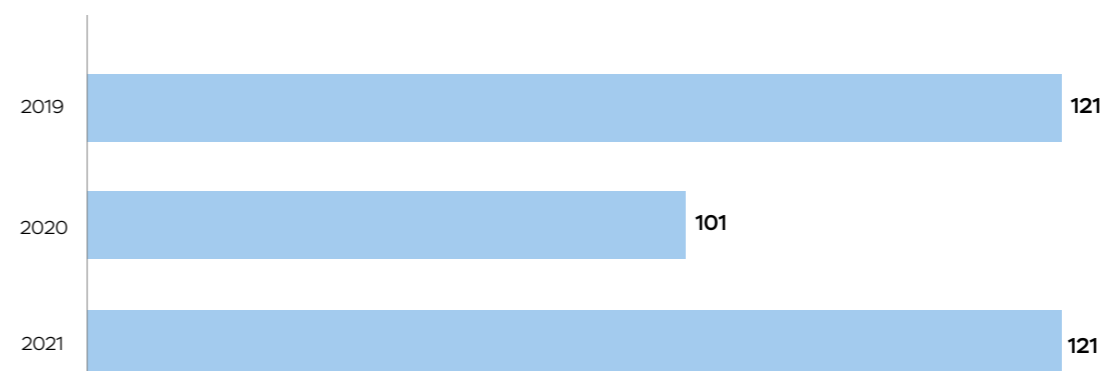
### RUSAL CASE STUDY

#### Scholarships to Jamaican students

In 2021, RUSAL provided 24 Jamaican students with scholarships to study in Russia worth approximately \$900,000. As a result, students will receive a bachelor's degree in chemical, electrical, mechanical, energy, technological and quality engineering, as well as instrumentation.

This initiative is part of the Winalco's International Scholarship Programme and covers airfare, accommodation, a monthly stipend, winter clothing allowance, internships, and medical insurance.

Number of students participating in targeted programmes, 2019–2021





## New Generation internship programme

In 2017, RUSAL embarked on the New Generation programme intended for graduates under 27 years old and majoring in over 20 areas.

To attract young professionals and give them an opportunity to put their knowledge to practice, the Company offers internships under the guidance of experienced

mentors at any RUSAL's enterprise in Russia. An internship lasts for three months for those with blue-collar trades and six months for engineering and technical personnel and managers. At the end of the programme, interns have a chance to receive a full-time job offer. In the reporting period, 213 trainees were accepted for internships.

### RUSAL CASE STUDY

#### RUSAL Laboratories

RUSAL Laboratories is a scientific competition for students from universities and technical schools (colleges) in specific areas, such as electrolysis boosting production safety, foundry technologies and innovative alloys, alumina production, carbon production and materials, innovative aluminium products.

The main goal of the competition is to recruit the talented participants and bring their ideas into the existing business processes. In 2021, the Company continued implementing this project and adapted it to an online format.

### RUSAL CASE STUDY

#### RUSAL classes

In 2021, the Company continued the RUSAL classes project that makes remote learning attainable for schools and colleges that do not have their own equipment. The project was needed due to inadequate education levels in certain regions where the Company operates with the aim of preparing students for the Unified State Exam. Professors from Irkutsk National Research Technical University (INRTU) and Siberian Federal University (SFU) are involved in preparing manuals and lecture materials.

### RUSAL CASE STUDY

#### 13th element: Alchemy of the Future, the Metallurgical Olympiad

13th element, the Metallurgical Olympiad is a scientific competition for schoolchildren interested in exact sciences (mathematics, physics, chemistry, and computer sciences). Since 2012, more than 18,000 schoolchildren took part in the contests. Traditionally, the competition is also held among teachers and schools.

The aim of the competition is to develop and identify the abilities of school students. The winners receive diplomas and gifts, while 11th grade students, soon to leave school, get 10 additional points to their Unified State Exam scores when applying to partner universities.

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

## Hiring people with disabilities

RUSAL's recruitment management approach complies with the Russian Federal Law "On the Social Protection of Disabled Persons in the Russian Federation" which sets a quota for hiring disabled persons at two-to-four percent of the average number of employees, not including positions with harmful and dangerous working conditions. Taking it into account, the Company has allocated

job openings for such specialties as laboratory assistants, storekeepers, etc. for people with disabilities.

RUSAL provides information about job openings for people with disabilities to the Russian Employment Centre on a monthly basis and guarantees employment for eligible candidates.

## Motivation and remuneration

### Remuneration

GRI 102-36

There is a unified wage regulation at all RUSAL's enterprises which the remuneration system is based on. Employees' remuneration packages include a fixed amount, a monthly bonus, compensatory payments (e. g. for working nightshifts or working in harmful conditions), regional wage ratios, and the northern index<sup>44</sup>.

From the first day at work, our employees get the maximum level of northern allowances where they are applicable. Under the Russian law, the level of northern

allowances paid to staff increases in proportion to seniority in the eligible regions.

The productivity of production workers is determined by the results of performing shift tasks. Such employees are eligible for a bonus if they have completed all the relevant tasks in their shifts and have not received any disciplinary penalties in the past month. The bonus amounts for management personnel depends entirely on achieving their KPIs and accomplishing goals.

### Basic monthly salary for employee categories broken down by gender<sup>45</sup>, 2021, USD

HKEX KPI B3.2

	Russia	Other countries
<b>Senior managers</b>		
Men	8,578	6,954
Women	5,046	6,434
<b>Middle managers</b>		
Men	1,778	2,627
Women	1,552	2,221
<b>Specialists</b>		
Men	1,399	1,577
Women	943	1,393
<b>Workers</b>		
Men	980	691
Women	693	708

<sup>44</sup> The northern index is a fixed percentage that increases the wage and a certain number of other types of citizens' income in order to cover the high expenses on living in territories where harsh conditions prevail.

<sup>45</sup> The average US dollar exchange rate (RUB 73.6541 per USD) according to the Central Bank of the Russian Federation was used in the calculation.

RUSAL encourages employees who contribute to our business development projects, production optimisation, and volunteer projects with additional bonuses who can be paid from the funds available to the heads of production enterprises.

**RUSAL CASE STUDY**

**Raising Remuneration**

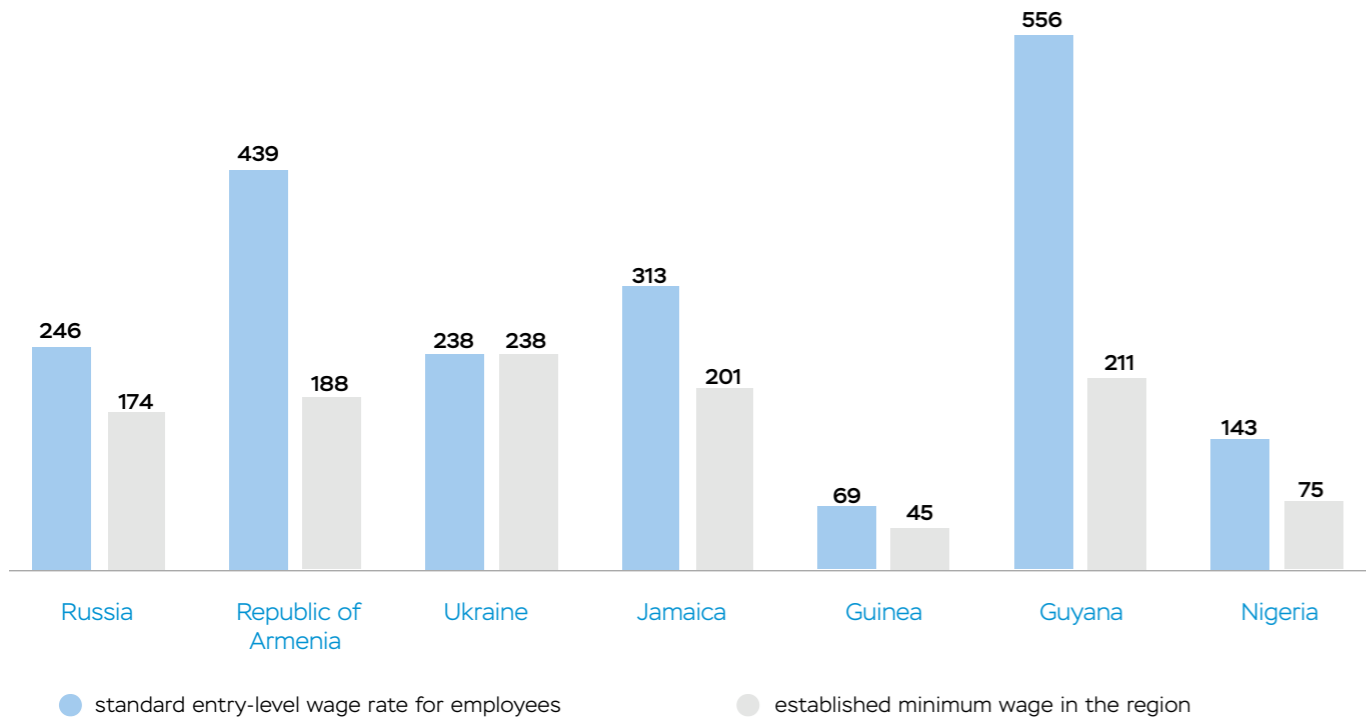
In 2018, the Company launched a programme to increase remuneration, primarily for employees engaged in production. This project is being implemented as part of RUSAL's remuneration-raising strategy.

In 2021, RUSAL increased the salaries of employees of Russian enterprises twice: at the beginning of the year, depending on the specialties, by 10-20%, in September – by another 10%. Now, at all RUSAL enterprises, salaries are significantly higher than the average for the regions. In the reporting year, the average employee salary increased by 10% compared to 2020, 23% compared to 2019 and 36% compared to 2018.

Every year in December, bonuses are paid to workers at the Company's enterprises in Russia and the CIS in addition to their salaries based on the performance during that; those amounted to 100% of the average employee's salary.

**Standard entry level wage rate for employees and minimum wages in key regions where the Company operates<sup>46</sup>, 2021, USD<sup>47</sup>**

GRI 202-1, ASI PS 10.7a



<sup>46</sup> There is no difference between the ratio of the standard entry level wage to the established minimum wage between men and women.  
<sup>47</sup> The average US dollar exchange rate (RUB 73.6541 per USD) according to the Central Bank of the Russian Federation was used in the calculation.

**Social support**

GRI 401-2

**The Company continues implementing social support programmes that provide employees with a range of benefits in addition to those stipulated by law, including:**

- A daily food subsidy for each shift to guarantee 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 at sanatoriums and dispensaries located in Russia.
- Free voluntary medical insurance policies for employees and at discounted prices for their family members.
- Holiday events dedicated to the anniversaries of enterprises and the professional celebration of the Day of Metals. Annual New Year tree festivals are arranged for children of our employees, and each child receives a gift from the Company at those events.

– Material assistance for the retired ex-employees of the Company who are registered with charities, victims of blockades, former underage prisoners, and home front workers from WWII, as well as war veterans.

– A corporate housing programme that enables employees to purchase housing on preferential terms.

RUSAL has a Social Programme that provides a lot of social benefits for employees, including purchase of voluntary medical insurance policies, corporate transfer to-and-from work, and material assistance in challenging life situations. In the reporting period, the Company spent RUB 380.9 million on additional medical insurance, RUB 614.9 million on medical institutions, and RUB 109.5 million on vouchers (without social insurance).

**RUSAL CASE STUDY**

**Housing programme**

In 2021, despite the challenging economic situation, the Company resumed its preferential housing programme for factory employees.

The programme gives employees an opportunity to buy an apartment on the primary or secondary housing market or even refinance a valid mortgage using a corporate loan. The programme also allows them to get a mortgage at a reduced interest rate. 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.

In the reporting year, the Company announced its intention to build new residential complexes for its employees. It is also planned to build all the necessary infrastructure facilities – schools, gardens, sports facilities, swimming pools, squares, and parks.

As at the end of 2021, 775 employees had been approved to participate in this programme. This result was achieved thanks to expansion of the programme's geography to encompass the Urals enterprises and add Volgograd and Novokuznetsk as well.

All RUSAL employees have a right to receive free medical care at the RUSAL Medical Centre LLC, which has 12 branches and four separate divisions in nine regions of the Company's presence. The Medical Centre has 677 employees who serve more than 56,070 people.

**The Company has taken the following measures to prevent 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, vitamin therapy, light therapy, and inhalation therapy.
- Memos are prepared and sent out on how to adopt a healthy posture and exercise, as well as on domestic calisthenics routines.

**Medical check-ups are conducted to:**

- Allocate employees to a specific health group based on the medical examination results and make recommendations on the prevention of diseases; if there are any medical indications, further monitoring and treatment are prescribed.
- Monitor and identify diseases at an early stage, offer preventive and rehabilitative measures.

RUSAL has continued to provide employees with free personal protective equipment due to the spread of COVID-19. Employees infected with the coronavirus disease can undergo rehabilitation and recovery at the expense of the Company. Workers who have been vaccinated at any stage may use a paid rest day after vaccination.

**RUSAL CASE STUDY**

**Healthy lifestyle**

In 2021, the Company spent RUB 1.7 billion on healthy lifestyle activities for employees:

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

**Training and development**

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

There are numerous personal and professional growth initiatives introduced by RUSAL that ensure effective training and development of the Company's staff. This approach contributes to the efficiency of employees guaranteeing that their knowledge is up to date.

The Company regularly develops the current skill-tests for all employees, and the RUSAL Corporate University is responsible for it. This institution focuses on producing a development strategy for all the Company's employees

that will facilitate their professional growth and effectiveness. Trainings are performed by both the Company's specialists and invited tutors.

In the reporting year, a total of 10,508 employees were trained, while the number of hours of employee training amounted to 132,173 hours (2.3 hours per trained employee).

**The share of employees trained by gender and employee category, 2021, %**

HKEX KPI B3.1

Senior managers	
Men	57.4
Women	41.2
Middle managers	
Men	60.4
Women	62.7
Specialists	
Men	64.6
Women	66.3
Workers	
Men	5.2
Women	5.1

**Average hours of employees training by category and country, 2021, hours per employee<sup>44</sup>**

HKEX KPI B3.2

Senior managers	
Russia	1.4
Other countries	1.4
Middle managers	
Russia	8.2
Other countries	8.4
Specialists	
Russia	11.28
Other countries	11.36
Workers	
Russia	0.146
Other countries	0.142

**Average hours of employees training by gender and country, 2021, hours per employee<sup>48</sup>**

HKEX KPI B3.2, GRI 405-2

Men	
Russia	1.57
Other countries	2.46

Women	
Russia	3.80
Other countries	4.92

**Functional academies**

RUSAL ensures staff training system in main production processes in the areas required by the Company's facilities; currently, ecologists, laboratory assistants, meteorologists, power engineers, lawyers, and investors are also able to gain new knowledge.

In 2020, the Company launched several initiatives, such as the HR Functional Academy. All HR Directors in the Central Company and enterprises have been tested on 10 HR topics. Subsequently, basic and advanced (the latter is for directors) educational programmes were implemented within the HR Functional Academy.









The advanced training programme was launched in November 2020 and ended in May 2021.

The functional IT Academy opened at INRTU in 2021. The goal of this educational project is to provide the Company with highly qualified young IT specialists by developing unique competencies based on the business needs of the metals and energy industries. In 2022, RUSAL is going to arrange for a full-time industrial practice at workplaces and give interns an opportunity to be hired on a part-time basis while they are studying at INRTU.

<sup>48</sup> Group trainings hours are accounted one time, irrespective of the number of participants.

## 2021 – continual HR process implementation

In 2021, the Company developed a full lifecycle management system for personnel development to replace disparate systems that automate individual HR processes. This unified personnel management system has been successfully integrated into the existing infrastructure of the Company. The entire project was completed in just 6 months. The system covers more than 50,000 employees with eight areas:

 <p><b>ADAPTATION OF EMPLOYEES</b></p> <p>The system implements mechanisms for automatically assigning adaptation programmes to employees when they are hired or transferred and tracks the result of completed activities and assigns appropriate qualifications.</p>	 <p><b>DISTANCE LEARNING AND TESTING</b></p> <p>RUSAL offers its employees more than 300 e-learning courses on various subjects and areas, which are available for self-study and are used in almost all HR processes.</p>
 <p><b>COMPETENCE ASSESSMENT</b></p> <p>The system implements several methods that use competency assessments in different cases, for example, for enrolling in the personnel reserve, building an individual development plan, etc.</p>	 <p><b>FULL-TIME (OFFLINE) EDUCATION</b></p> <p>In less than 6 months, about 700 training events were organised through the system, which were attended by more than 7,500 people.</p>
 <p><b>INDIVIDUAL DEVELOPMENT PLANS</b></p> <p>Based on the results of the competency assessment, the specialist responsible for the personnel reserve can start the procedure for generating a development plan on the E-learning portal.</p>	 <p><b>INTERNAL TALENT POOL</b></p> <p>Any employee can apply on the E-learning portal or be nominated by the manager. The candidates can be assigned a competency assessment or start the process of forming a development plan.</p>
 <p><b>COMPULSORY EDUCATION</b></p> <p>The system automatically tracks the timing of the next passage of the required training programme and pre-assigns the appropriate training activity.</p>	 <p><b>COLLECT TRAINING NEEDS FOR BUDGET PLANNING</b></p> <p>As part of the centralised training planning campaign for the next period, the opportunity to submit and collect training needs from the heads of departments has been implemented. Based on the consolidated needs, the costs for training employees in the coming period are planned.</p>

In 2021, RUSAL launched Univer, a new system (internal platform) where all the training and development projects and initiatives are assembled.

Each employee has a personal account in the system through which they can take part in courses, seminars, webinars, and other training events. However, personnel accounting operations are still performed on the 1C:Enterprise platform<sup>49</sup>.

### RUSAL CASE STUDY

#### Univer

All training and development processes are now assembled on a single platform called Univer that was launched in 2021. It can be accessed from both a desktop device and from smartphones. The platform offers RUSAL educational projects and content and contains information on job opportunities, internships, and various soft-skill trainings as well.

The platform hosts 14 projects for schoolchildren, students, and graduates. In particular, the New Generation, the RUSAL classes, the RUSAL Laboratory, the RUSAL – schools of Russia programmes are represented on the platform. On August 20, 2021, the functionality of the Jobs section was launched. By now, 588 job vacancies have been published, for which 1,902 responses have been received.

### Internal talent pool

**The Company has its own pool of successors for all levels of the management reserve:**

- reserve for top management level: **78**;
- reserve for mid management level: **569**;
- reserve for line management level: **3,043**.

Each Personnel Reserve programme participant has an individual development plan, which includes a wide range of tools – from distance learning system classes, trainings, courses, and cross-internships to referrals to leading universities.

One of the main tools for training RUSAL's personnel reserve is the BS 250+ programme, which has been operating in the Company since 2015. Its participants learn to solve specific production tasks and implement improvement projects using the approaches and principles of the RUSAL Business System. Any employee who aspires to career growth can join the internal personnel reserve.

In the reporting year, a shortened BS 250+ programme was developed to build Basic BS skills for training reserves at the line management level.

<sup>49</sup> 1C:Enterprise is a software product designed by the Russian company 1C for automation of accounting and management accounting (including payroll and personnel management), economic and organizational activities of the enterprise.

## Social partnership

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

### RUSAL's employees have a right to join associations protecting their interests and develop long-term partnerships with trade unions.

GRI 102-41 Collective agreements are concluded at the majority of the Company's Russian enterprises, and approximately 84.6% of the Company's employees are covered by collective bargaining agreements.

RUSAL's Social Council serves as a link between employees and the Company in matters related to social partnership. The Social Council is represented by both the Company's employees and management. This body annu-

ally evaluates social partnership results and discusses the employer's fulfilment of the terms and conditions of the collective agreements.

In the reporting period, no actions that may have violated workers' rights to exercise freedom of association or collective bargaining were identified; no strikes and mass layoffs were identified.

## Human rights

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

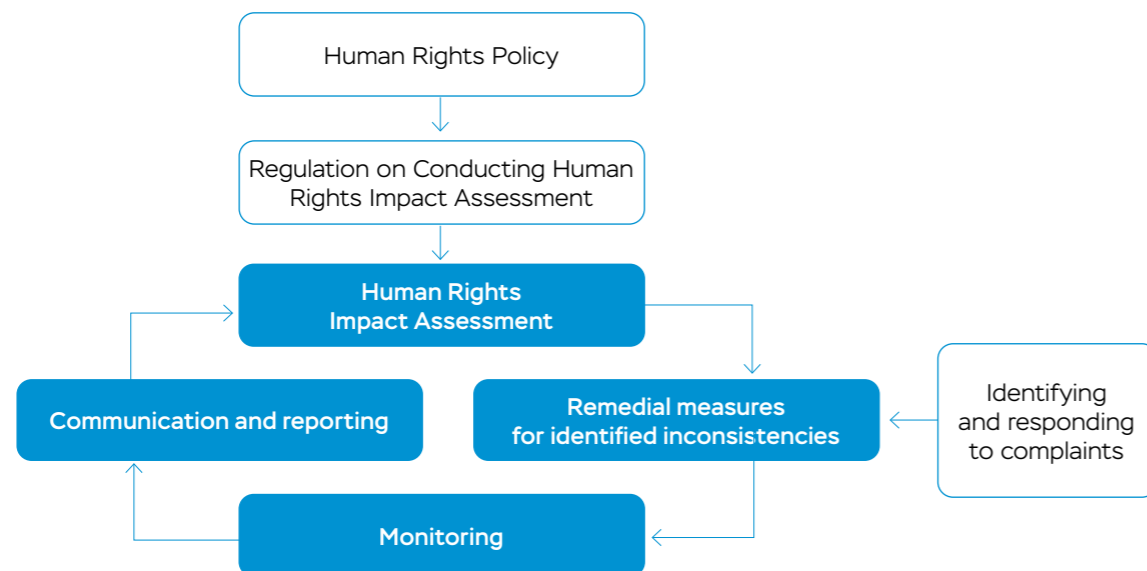
### Approach to human rights management

Respect for human rights is a core principle of RUSAL's management approach. While elaborating effective policies and practices in the field of observing human rights, RUSAL takes into consideration the ASI standards that accelerate this process.

The heads of main functional areas are responsible for observing human rights in line with RUSAL's Human Rights

Policy. RUSAL conducts a comprehensive assessment of human rights compliance to help the Company identify and eliminate the risks. In 2020, the Company introduced the Regulation on Conducting Human Rights Impact Assessment that served to consolidate a unified approach to evaluating impact on human rights. In the reporting year, no human rights violations were detected, the assessment was carried out on 24 assets of the Company.

#### Approach to human rights management



## Human Rights Policy

ASI PS9.1a

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

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

- Universal Declaration of Human Rights
- Fundamental Conventions of the International Labour Organisation

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



The anti-epidemic hospital built by RUSAL in Guinea is equipped with all the necessary equipment

## Regulation on Conducting a Human Rights Impact Assessment

ASI PS 9.1b

In 2020, the Company adopted the Regulation on Conducting a Human Rights Impact Assessment for RUSAL enterprises. This regulation reflects an integrated and comprehensive approach to taking action to eliminate or mitigate negative impacts on human rights.

The HR Directorate is responsible for overseeing the implementation of this regulation. In 2021, working groups were trained as part of the preparation of enterprises for certification according to ASI standards. The training materials included sections on the observance of human rights.

The Company evaluates human rights risks in the risk management system and conducts due inspections regarding the observance of the indigenous communities rights in the regions where it operates.

### As a part of the self-assessment on human rights aspect procedure, entities assess the following indicators:

1. The entity has information (objective evidence is available) on the existence/absence of agricultural and rural communities that are wholly dependent on natural resources in the area of the entity's impact and which the entity may have a negative effect on.

2. There is no objective evidence of a negative impact on the sources of income of local communities.
3. The entity knows and respects the lawful rights and customs-based rights of local communities in relation to their lands, including access to natural resources (if there are problems affecting the sources of income of local communities).
4. The entity is taking appropriate steps to eliminate or reduce the impact of a significant adverse impact on means of living of local communities (if there are problems affecting the sources of income of local communities).
5. The grievance mechanism is understandable and accessible to representatives of local communities (if there are problems affecting the sources of income of local communities).

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.3](#), [ASI PS 9.1c](#)

## Diversity and equal opportunities

HKEX Aspect B1, ASI PS 10.4

RUSAL embraces diversity within the composition of personnel at all enterprises. The Company and its subsidiaries respect the human right to equal opportunities and non-discrimination, and they select and hire employees only based on the candidates' own experience and specific business qualities.

In the reporting year, the Company identified no cases or risks 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 applies the ban on the use of child and forced labour at all its enterprises. The Company enters employment contracts only with persons who meet the minimum age requirements established by law. Hired labour in the Company is exclusively voluntary: RUSAL does not use or tolerate forced and compulsory labour, slavery, or human trafficking.

This commitment is reflected in the 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. There are no enterprises in the Company in which cases of the use of child and forced labour have been identified. [HKEX KPI B4.1](#), [HKEX KPI B4.2](#)

Issues related to occupational health and safety, human rights are covered in the Regulations for managing contractors in the areas of labour protection and industrial, fire, and environmental safety. For instance, verifying the minimum age of a contracting organisation's employees.

## Protection of personal data

One of the essential areas in the field of human rights is the protection of personal data. The organisation and ensuring the protection of personal data is carried out in accordance with the requirements of the Federal Law of July 27, 2006 No. 152 – Federal Law "On Personal Data" and by-laws, the requirements of the General Data Protection Regulation (GDPR) passed by the European Union.

### In 2021, to reduce the risk of non-compliance with the French data protection legislation, RUSAL initiated the preparation of the following structural documents:

- Personal data processing policy
- Internal rules for the processing of personal data (including policies for minimizing / limiting the purpose of using, storing, transferring, deleting, correcting personal data and processing requests from personal data subjects for access to such data; the procedure for processing information security incidents relating to personal data)

- Form of policy on the use of cookies
- Form of contractual provisions on the transfer of personal data to third-party providers
- Forms of consent to the personal data processing, notifications about personal data processing of employees and job candidates
- Forms of registers of processes for personal data processing and transfer.

The Company is currently developing the Transfer Impact Assessment. The main purpose of developing this measure is to assess the risks associated with the transfer of data from European assets to the Russian Federation, as well as to describe additional protection mechanisms in connection with such risks.

## 3.2. Health and Safety



### Material topics

HEALTH AND SAFETY

### 2021 highlights

**0.15**

LTIFR

**↓17%**

DECLINE IN LTIFR VS. 2020

**\$12.5**

MILLION WAS ALLOCATED FOR COVID-19 MEDICAL CENTRES CONSTRUCTION AND EQUIPMENT

**84,707**

AUDITS WERE CARRIED OUT AT RUSAL ENTERPRISES

## Management approach

GRI 103-1, 103-2, ASI PS2.1, ASI PS11.3, ASI PS11.4

Prevention and elimination of any harm to people are the primary goals that RUSAL sets for itself striving to become the industry leader in terms of safe working conditions. Occupational safety issues are integrated into the Company's corporate strategy. RUSAL's activities are carried out in accordance with the national legislation of the countries of presence, as well as with the internal corporate standards, rules, and procedures governing health and safety issues.

RUSAL is committed to bringing its corporate safety culture to such a level where our employees and contractors realise that they are personally responsible for health and safety. One of the steps in this area is regular employee training intended to raise their awareness of risks. The Company also takes other measures to keep employees aware of dangerous incidents that threaten life and health. In addition to regular training, RUSAL implements various modern initiatives in its activities that favourably affect the performance of work duties and prevent harm.

The Company supports the idea of involving senior management and line management in ensuring safe working conditions and managing health and safety issues, as it sees the potential in such a solution to preserve the health and safety of employees. As part of the fight against the concealment of OHS violations, RUSAL has developed key performance indicators (KPIs), which are based in general on injury rates - Lost time injury frequency rate (LTIFR), both at the Company level and at the division and enterprise level. RUSAL monthly monitors the implementation of KPIs for the year.

In 2021, two goals were set in the field of health and safety: reducing the Lost time injury frequency rate (LTIFR) to 0.18 and below, as well as achieving zero fatal injuries. This metric in 2021 was 0.15, which is 17% lower than the target value. Unfortunately, the second goal was not achieved: in 2021, twelve fatal accidents related to production were recorded (seven cases among RUSAL employees, five cases among contractors).

HKEX Para 13

The Health, Safety and Environmental (HSE) Committee oversees the Company's activities in accordance with the environmental and social responsibility standard subject to the corporate regulations. The main functions of the Committee include analysis of health and safety audits required in accordance with the law or the

### Targets and strategic priorities

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

### Who's in charge?

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

### Which guidelines do we follow?

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

Company's policies, review of the annual reporting on the relevant indicators, as well as preparing recommendations regarding OHS targets.

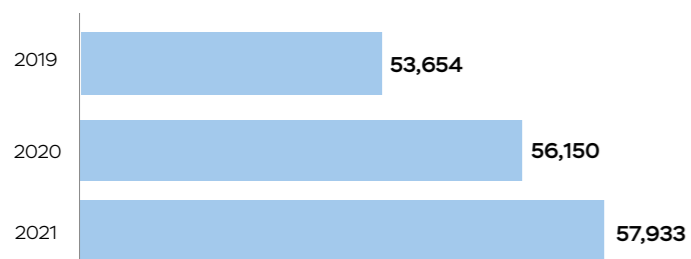
GRI 403-1, ASI PS 11.1, ASI PS 11.2

The Company has a reliable vertical system for management of labour protection, industrial and fire safety (OHS management system) covering the entire business departments and their facilities. Our OHS management system is designed to prevent injury and illnesses among our employees and contractors wherever they are. The system is supported by the active work of labour protection managers, managers for supervision of the safety of contractors' work organisations and local divisions.

RUSAL meets the requirements of international occupational health and safety standards. In 2020, RUSAL made a full transition to ISO 45001. Our OHS management system is approved by reputable International Accredited Registrar and Classification Society (DNV-GL) as ISO 45001 compliant. ISO 45001 certification cover most RUSAL facilities and certification audits are performed every 3 years. In 2021, an external supervisory audit of the OHS management system carried out at JSC RUSAL Management and four other facilities of the Company: RUSAL Krasnoyarsk, RUSAL Novokuznetsk, RUSAL Volgograd, RUSAL Sayanogorsk. In 2021, the occupational health and safety management system covered 57,933 of employees, which is 7% more than in 2020.

GRI 403-8

Number of people covered by the OHS system, 2019-2021



In 2021, the Company's General Director had the first face-to-face coordination meeting on labour protection with the Managing Directors and the HSE heads of the Aluminium Division enterprises in order to get everyone involved in the process of managing the Division's labour organisation. In the Downstream Division, General and Managing Directors of facilities trainings were organised under the IOSH Managing Safely course; meetings with the General Director are held regularly.

During the reporting period, a number of changes were made to the OHS management system at RUSAL in accordance with new federal regulations and elections in the field of fire safety. In 2022, the system will be revised and divided into 3 global management systems: labour protection, industrial safety, and fire safety.

Last year, RUSAL began to elaborate a regulation on positive motivation in order to increase the involvement of employees in the issues of labour protection and fire safety. The purpose of progressive motivation is the conscious self-correction of behaviour by employees and the exclusion of the repetition of disciplinary violations. As a result, in 2021, the number of conversations about labour safety increased by 26%, the number of disciplinary actions decreased by 10%, and the number of dismissals decreased by 33%.

**RUSAL continues to achieve the goals set in 2020 Sustainability Report:**

- further implementation of the Safety Culture project
- launch of a project to assess the unsafe behaviour of employees
- further implementation of the Vision Zero initiative
- subsequent engagement and development of leadership skills among management and senior management through conduct of behavioural audits
- technical assessment conducted for all tanks.

## Enhancing the safety culture

Improving the sustainable and strong safety culture is one of the main focus areas for RUSAL. Since the Company's primary goal in the health and safety area is zero fatalities, the management supports the activities for both employees and contractors under the motto Safety Above All to minimise fatalities, injuries, and occupational diseases.

RUSAL encourages feedback from employees on emerging industrial hazards and dangerous situations. If a potential danger materialises, the Company's employees and contractors have sufficient authority to suspend and terminate work as necessary. Examples of such dangers are inadequate qualification, unclear understanding of the task, changes in working conditions at the workplace, or faulty equipment. We guarantee that to the employee who warned others of the danger, we will not apply penalties.

GRI 103-3

From year to year, RUSAL has been working to increase the employees' awareness of labour protection and fire safety measures. In 2021, 84,707 audits were carried out at the RUSAL sites.

Moreover, levels of labour safety culture were assessed at four enterprises. The audits were conducted at RUSAL Sayanogorsk, RUSAL Novokuznetsk, RUSAL SAYANAL, RUSAL Kamensk-Uralsky. As part of the audits, more than 120 face-to-face interviews were conducted, and more than 670 employees were interviewed.

## Risk Identification and Management

GRI 403-2

The key focus of the Company in the field of employee health protection and safe working conditions is competent and effective risk management.

The security risk management system at RUSAL evaluates and identifies risks at all levels and facilities of the Company. Each operation that carries risks to the life and health of our employees or contractors is assessed and controlled by the responsible persons. The system itself undergoes evaluation 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 Co-

According to the results of the audit, it was revealed that the personal level of maturity of the safety culture is most pronounced at enterprises. Measures have been developed to further develop a safety culture.

As part of the All-Russian Occupational Safety and Health Week, RUSAL formed a team of 9 young professionals that took second place in the Modern Trends in Labour Protection contest.

GRI 403-2, GRI 403-4

**RUSAL has a number of feedback channels for employees to provide information on any OHS-related risks:**

- briefings and meetings on labour protection
- Internet resources of RUSAL (internal and external)
- SignAL hotline
- boxes of trust: special mailboxes, which employees can use to send written complaints and proposals.

During the reporting period, based on messages received from employees, 267,547 potentially dangerous situations were identified. All received messages are processed, responsible persons for the elimination are assigned and the elimination process is controlled. 97% of identified violations have been eliminated, 3% of violations require additional time and financial resources and are planned to be eliminated.

ordination informs the management and the Board on a quarterly basis Directors of the Company of any changes made and measures taken to mitigate the identified risks.

In 2021, the Downstream Division developed the Risk Assessment Methodology and a special training on risk assessment in the field of health and safety, which has a strategic purpose. In 2022, RUSAL will start training managers and specialists of Downstream Division enterprises using this methodology.



### Look Around project

#### GRI 403-2

Look Around project started in 2019 at the Downstream Division facilities. Each employee can contribute to the daily detection and elimination of hazards. Any detected danger is sent to the responsible person through a specialised programme. Due to this, any identified violation can be eliminated as soon as possible. This programme is still actively implemented at the enterprises of the Downstream Division. In 2021, about 24% of the Division's employees (1,312 employees) were involved in the programme, while the number of identified hazards increased by 37% compared to 2019.

## Safety initiatives and projects in 2021

#### HKEX KPI B 2.3

An important component of RUSAL's activities is monitoring and implementation of the world's best practices in occupational health and safety. This is due to the Company's desire to protect its employees and maximise their safety. As in 2020, implementation of the previously planned projects was postponed because of the COVID-19 pandemic.

#### In 2021, the following work on industrial safety was performed:

- The reliability and safety of storage tanks for chemicals and petroleum products were assessed at 7 RUSAL enterprises. During the assessment, emptying, cleaning and instrument inspection were carried out with the prediction of the remaining life of 17 tanks.

- Technical audits of operated hazardous production facilities were carried out at 13 factories. Audits covered 143 hazardous facilities.
- At 8 enterprises, the compliance of draft industrial safety expert opinions on technical devices, buildings and structures operated at hazardous production facilities was verified. The audit covered 585 draft conclusions of industrial safety examinations.

- The Downstream Division completed a project to install projection lights and audible alarms on the used floor-mounted non-rail industrial vehicles.

lation of the country of presence, as well as with the application of internal practices of investigation and analysis of accidents in the field of labour protection, industrial, and fire safety.

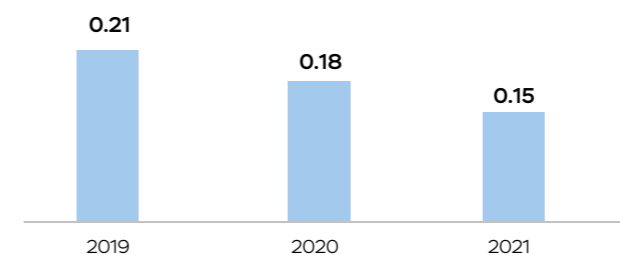
The main metric in the field of safety is Lost time injury frequency rate (LTIFR). In 2021, this indicator was 0.15, down 17% from the previous year's value of 0.18.

## Performance results

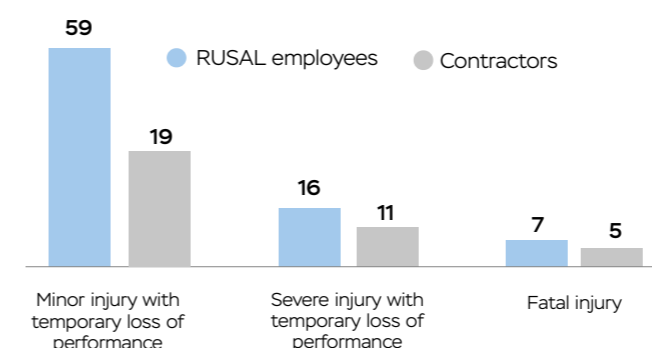
To identify weaknesses and further improve the daily OHS practices, RUSAL is actively monitoring and analysing all the incidents and accidents. When an accident is identified, the Company initiates an investigation with a detailed analysis of what happened through a full risk assessment in the field of health and safety protection. The investigation is carried out in accordance with the requirements of the established legis-

### LTIFR per 200,000 hours, 2019-2021

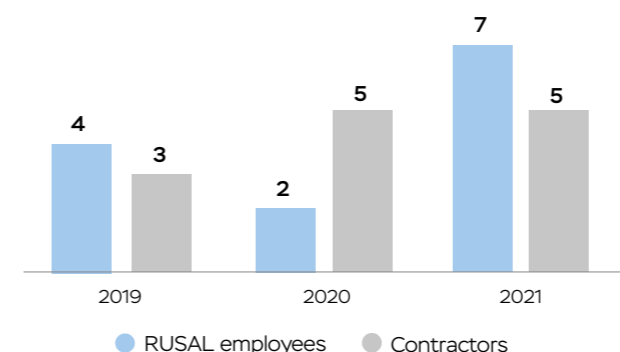
#### GRI 403-9, HKEX KPI B2.2



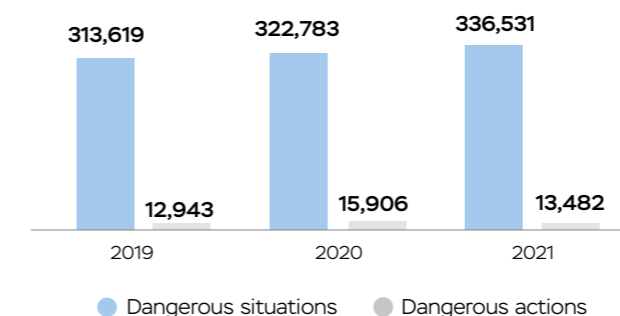
### Registered accidents among RUSAL employees and contractors, 2021



### Number of fatalities among employees and contractors, 2019-2021



### Dangerous situations and dangerous actions identified, 2019-2021



During the reporting period, 82 accidents were recorded among RUSAL employees and 35 among employees of contracting organisations. The most common type of work injury is a minor injury with temporary loss of inactivity.

Unfortunately, in 2021, the number of work-related fatalities among RUSAL employees has increased comparing with 2020. RUSAL deeply regrets that there were seven work-related fatalities in 2021, notwithstanding the corporate's commitment to zero fatalities. The Company extends its deepest condolences to the families and friends of the deceased.

#### GRI 403-9

The main causes of severe and fatal injuries at RUSAL during the reporting period were human errors and violations of safety requirements, which were committed both by the deceased and other employees while performing related work.

Probably, one of the most serious incidents of 2021 was the collision of two trains near the Simbaya station (Guinea). The incident claimed the life of our employee, 6 employees were injured.

After the incident, the train traffic scheme was revised, unscheduled training was conducted for all personnel of the operation service of the railway directorate. The last car of the train was equipped with red reflective signs. A memo on the actions of personnel in emergency situations on the railway was prepared in order to avoid any further train collisions.

In 2021, 336,531 dangerous situations and 13,482 dangerous actions were recorded. The total number of identified cases increased by 4%, while the number of dangerous actions decreased by 15% comparing with previous reporting period.

In 2021, the Company's sites started paying more attention to the personnel behaviour and held unscheduled briefings to discuss the dangerous factors surrounding employees at work. They also increased attention to people moving around the territory of enterprises and to developing safe behaviour skills for employees.

## Training

### GRI 403-5

RUSAL pays attention to regular employee training in the field of occupational health and safety, including managers and specialists, in accordance with the legislation of the countries of presence. Occupational safety and fire safety training is comprehensive, since RUSAL organises regular mandatory briefings, including introductory, initial, refresher, unscheduled, as well as ad-hoc briefings conducted for employees whose work goes beyond the established daily responsibilities. RUSAL considers first aid training to be an important area of training, which is vital in the event of emergencies or accidents. Changes in the field of legislation, as well as the results of the investigation of accidents and accidents are reported to employees at unscheduled briefings and briefings before the start of the shift.

As part of the training programmes, RUSAL organises e-learning courses using its own corporate e-learning system. This is because the Company adheres to the policy of accessibility of information and training materials for everyone. Thus, the Company strives to ensure that employees take greater responsibility for their own development.

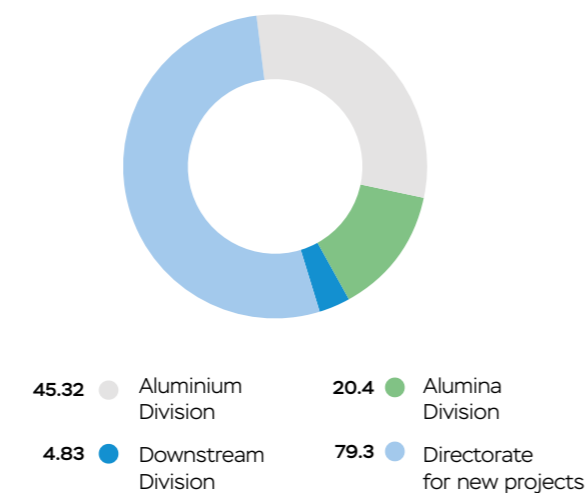
**The total amount of time spent on training per employee is 37.2 hours per year, an increase of 4% compared to 2020. During the reporting period, 57 exercises and 6 emergency drills were held. In addition to training in the main programmes in accordance with the legislation of the Russian Federation, the following trainings were held in 2021:**

- training for the Downstream Division under the IOSH programme "We manage safely"
- additional trainings for employees of HSE services on labour safety were conducted in order to form a personnel reserve

- under the Training for Trainers programme to form an internal institution of trainers
- the enterprises of the Downstream Division conduct trainings for employees under the Look Around, Internal Investigations and Hazard Identification programmes.

### Average number of training hours per employee, 2021

SASB EM-MM-320a.1



RUSAL strives to put into operation training and methodical simulators for practical use. In 2021, an occupational safety training room was created in the Downstream Division at the Krasnoyarsk Metallurgical Plant.

## Health protection

The safeguarding of employee's health is a one of highest priorities for the Company. RUSAL strives to constantly improve the corporate healthcare system, prevent occupational diseases and promote a favourable working environment. As part of this policy, all the Company's production sites are equipped with specialised medical facilities for pre- and post-shift checks-ups, first aid and other medical care.

### Our response to the coronavirus pandemic

Since the beginning of the coronavirus pandemic, RUSAL has allocated RUB 8 billion to fight COVID-19 and support healthcare in the regions.

**GRI 203-2** RUSAL is providing large-scale assistance to Africa in the fight against massive infectious diseases. In 2021, vaccine against COVID-19 Sputnik V and medicines and consumables for the diagnosis and treatment of COVID-19 were delivered to Guinea by RUSAL.

The primary task of the RUSAL Medical Centre (RMC) operating within the Russian Federation is to provide high-quality medical services to the Company's employees. Since RUSAL values the health of its employees, the Company compensates the costs of surgeries and other medical procedures as necessary. In addition, the Medical Centre arranges for annual medical examinations.

For their contribution to the fight against COVID-19 in Guinea, three medical workers of RUSAL were awarded the national Guinea prize Katala 224.

Following the results of 2020 and 2021, RUSAL twice became the winner of the Guinea Best Company Awards nomination for its special contribution to the fight against the spread of COVID-19 in Guinea and the socially responsible policy of the Company during the pandemic.

## RUSAL medical services

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

The Company takes care of its employees and their health, striving to minimise occupational diseases and illnesses. RUSAL is actively involved in providing employees with a variety of medical services as part of the corporate healthcare programme. The medical services offered by the Company can hold their own against the best international standards in the field of health protection, and they also fully comply with the legislation of the countries of presence.

In addition to combating the COVID-19 pandemic and related diseases, RUSAL conducts periodic and preliminary medical examinations, psychiatric examination, health education and prevention of cardiovascular diseases.

**In order to prevent and reduce occupational diseases, a number of medical rooms and departments were opened in 2021:**

- Physiotherapy facilities were equipped in Sayanogorsk and Novokuznetsk for medical prevention purposes.

- A physiotherapy facility in Volgograd was equipped to prevent occupational diseases and rehabilitate workers who had come through COVID-19.

- A day patient hospital department was launched at the branch in Achinsk to provide neurological and therapeutic care to patients.

In 2021, the Company continued to implement its programme to prevent diseases leading to temporary disability. At the end of the year, the Aluminium Division had the highest labour losses per employee at 9.87, though the indicator improved by 1.82 compared to 2020. The Directorate for New Projects took a second place with labour losses per 1 employee at 8.60; compared to 2020, the indicator improved by 0.34. The lowest labour losses per employee (1.75) at the end of 2021 were noted in the Financial Directorate. The situation with this indicator is best in the Downstream Division, the Alumina and Aluminium Divisions. The labour losses decreased by 2.06, or 24.6%, compared to 2020. The respiratory diseases account for the largest share of cases with temporary

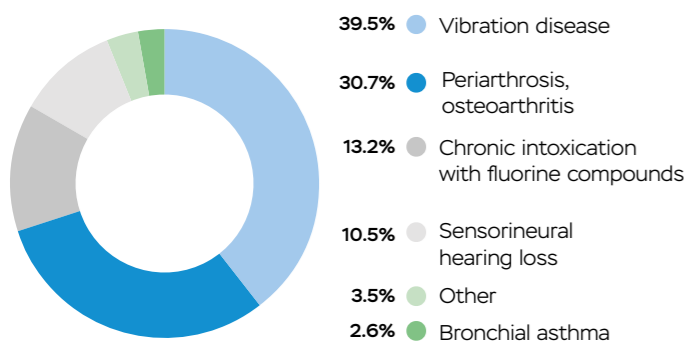
disability (28.38%), diseases of the muscles, skeleton, and connective tissue are in the second place (27.42%), while injuries and poisonings took the third place (18.68%).

RUSAL is committed to creating conditions for employees to help alleviate the difficult work. The working group on the implementation of exoskeletons in

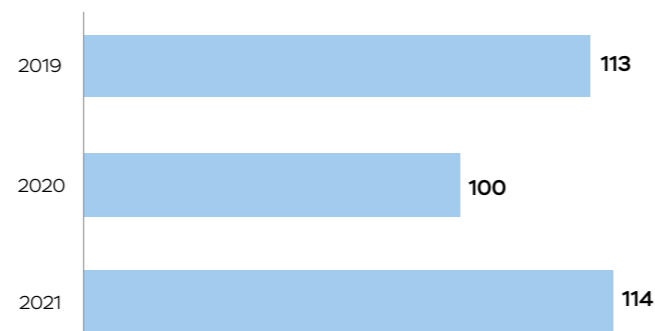
production, created last year, continues its work on the development of regulatory standards. In June 2021, a draft government standard was adopted aimed at regulating the use of industrial exoskeletons. Further work is underway to develop regulations governing the use of exoskeletons in production. In addition, exoskeletons are being tested at several of the Company's facilities.

GRI 403-10

Structure of registered occupational diseases, 2021



Dynamics of occupational disease cases, 2019–2021<sup>50</sup>



Contractor engagement

In its activities, RUSAL adheres to the opinion that the involvement of contractors in implementing the OHS programmes is inextricably linked with ensuring high safety levels. Therefore, the Company takes all the necessary steps to promote high safety levels among its contractors. The fact that some cases of injuries are inextricably linked with the participation of employees of contractor organisations.

Compliance with the rules of RUSAL's health and safety protection, which are fixed in the Regulations for the Management of contractors in the field of health and safety, fire, and industrial protection, on industrial sites is an important point in the field of work with contractors. The Regulation defines standards in the field of evaluation, information and tracking of contractors and subcontractors to comply with industrial, fire and environmental safety measures. In 2021, additional agreements with RUSAL's requirements to ensure safety during work on the enterprise premises were concluded with all the contractors.

In 2021, plans were implemented to introduce a system of penalties for violation of labour protection and fire safety rules for contractors. This system is a tool for correcting the behaviour of employees of contractors. In accordance with the provision on progressive motivation, behaviour modification begins with verbal remarks and conversations and the imposition of penalties. Only in the Aluminium Division, the total amount of penalties exceeded RUB 2.5 million.

During the reporting period, 1,316 inspections of contractors were conducted, in which 5,674 violations were identified, and 293 safety interviews were held. As a result of the inspection statements prepared, 102 employees were held accountable, 7 of those were fired.

RUSAL issued an order on collective responsibility, according to which, upon detection of a violation by one employee of the contractor, the entire team was suspended from work until the violations were eliminated and appropriate conversations and briefings were held.

Emergency preparedness

GRI 403-7, HKEX KPI B2.3

RUSAL is actively involved in measures to prevent emergencies caused by both natural disasters and industrial accidents. All RUSAL enterprises are equipped with modern means of response, which allow to ensure the safety of employees. In the event of an emergency, the Company has access to a special reserve fund that provides financing for all necessary operations. Every company has a similar financial reserve.

To minimise risks in case of emergencies, all employees undergo regular theoretical and practical trainings and exercises, where they act according to their roles in emergency situations. This approach allows you to prepare employees as much as possible in case of an emergency and thereby ensure their greater safety. In addition to these trainings, the Company complexity analyses each emergency in detail, after which it informs employees about the results of the investigation.

In 2021, a set of works on industrial safety was carried out:

- assessment of reliability and safety of storage tanks for chemicals and oil products of RUSAL
- technical audit of industrial facilities used by RUSAL
- verification of compliance of industrial safety review projects for technical devices, buildings and structures used at hazardous production facilities, their assignment to RUSAL and industrial safety requirements.

<sup>50</sup> The statistics do not include cases of newly diagnosed occupational diseases in the post-exposure period.

### 3.3. Developing local communities



#### Material topics

LOCAL COMMUNITIES

SOCIAL AND CULTURAL DIVERSITY AND EQUAL OPPORTUNITY

#### 2021 highlights

**\$45.12**

MILLION

ALLOCATED TO FUND SOCIAL AND CHARITY PROGRAMMES, INCLUDING:

**USD 31.64 MILLION** WERE ALLOCATED TO IMPLEMENT PROJECTS AND ACTIVITIES WITHIN THE RUSSIAN FEDERATION UNDER THE SUSTAINABLE DEVELOPMENT OF TERRITORIES OF RESPONSIBILITY PROGRAMME, INCLUDING **USD 10.58 MILLION** TO CONTINUE FINANCING OF PROJECT CONSTRUCTION OF MEDICAL AID AND RESCUE CENTERS **IN 7 CITIES IN RUSSIA**

**\$234.43**

THOUSAND

WERE SPENT ON PROJECTS AND EVENTS TO DEVELOP URBAN AND CORPORATE VOLUNTEERING UNDER THE HELPING IS EASY PROGRAMME.

**174,130**

**BENEFICIARIES** OF CHARITY INITIATIVES IN RUSSIA, **295 ORGANISATIONS**, **3,130 VOLUNTEERS** TOOK PART IN SOCIAL PROJECTS, **1,814** OF THEM WERE CORPORATE VOLUNTEERS. **331** TOTAL VOLUNTEER EVENTS

#### Management approach

HKEX Aspect B8, GRI 103-1, GRI 103-2, GRI 103-3, 203-2, GRI 413-1, ASI PS 3.1, SASB EM-MM-210a.3, SASB EM-MM-210b.1

As a leading global aluminium company and a major producer of aluminium, RUSAL participates in the development of regions through various social programmes.

**GRI 103-1, GRI 203-2** RUSAL makes a significant contribution to the development of local communities and regions through the payment of taxes, employment of local residents, cooperation with local suppliers. RUSAL considers each social investment project as an important element contributing to the promotion of the Company's image and reputation in the region, as well as the formation and strengthening of the Company's social partnership with local authorities and public organisations. Our presence in the regions has a positive impact on their social and economic development.

**GRI-413-1** In order to protect the rights of the local communities, before opening new production facilities or when planning major changes to existing projects, the

Company assesses the possible, including potentially negative impact of this production on the local communities and the environment. We are aware of the rights of the local residents, including our employees and their families to a safe environment, so we are guided by the principles of sustainable development and strive to reduce the negative impact on the environment based on its constant monitoring and assessment.

Main target and strategic precedence of social investments provided by RUSAL in Russia and abroad are – supporting social initiatives and improving quality of life of residents and local communities in all regions where Company operates.

**GRI-413-1** For each of the social investment programmes, an assessment of the effectiveness is carried out: a number of indicators are used to determine its relevance and sustainability.

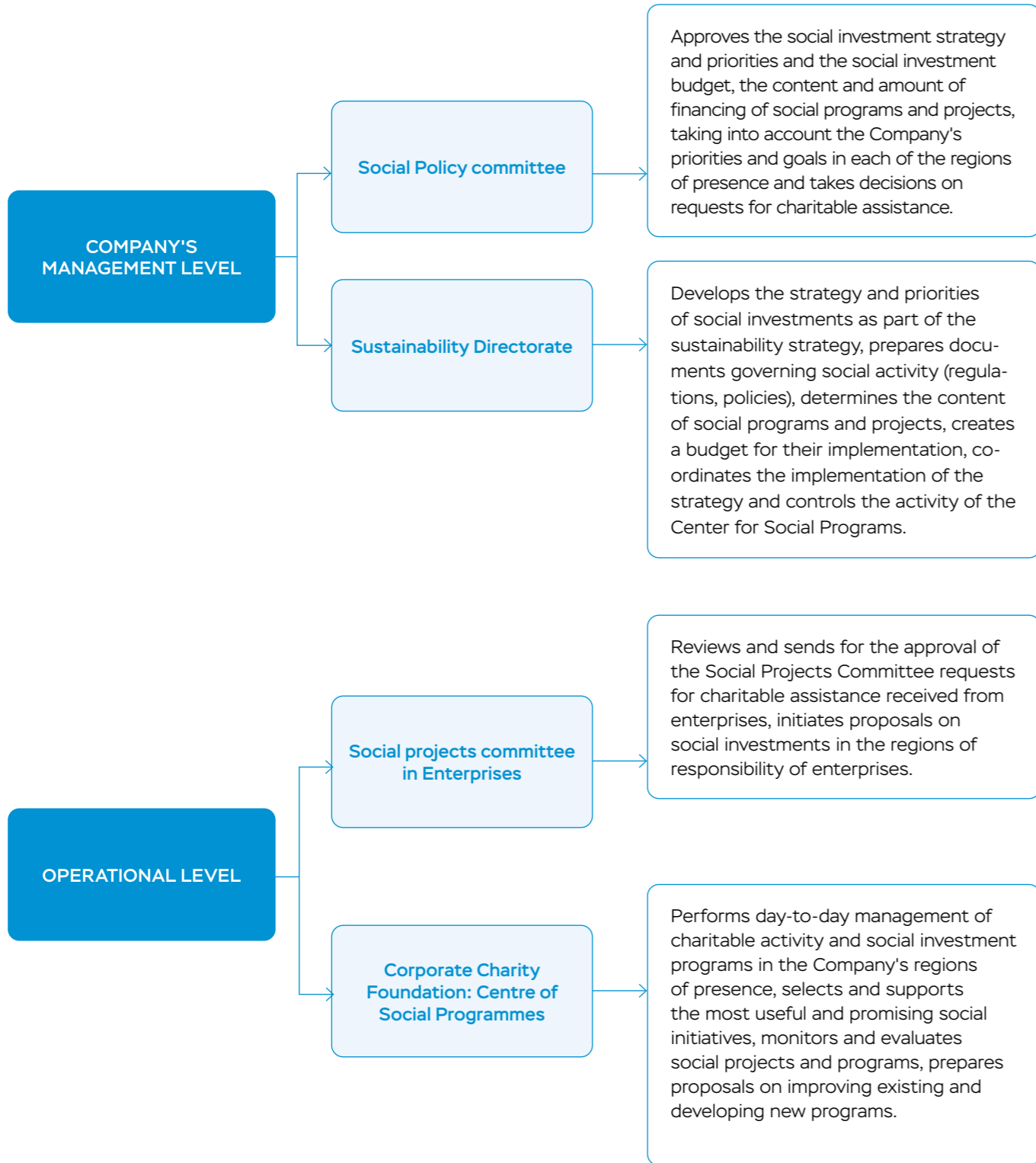
#### Managing social investments in Russia

**GRI 103-1** RUSAL acknowledges the impact on local communities from its operations, therefore the Company aims to make positive contribution to their development.

**GRI 103-2, GRI 102-43, GRI 103-3, GRI 413-1, SASB EM-MM-210a.3** The Company's social strategy targets the introduction of sustainable social investment models in the integrated socioeconomic development in regions with broad stakeholder participation to create a favourable social environment for production activities.

**GRI 103-2** In 2021, there were no significant changes to the Company's structure. The strategy for implementing social investments is coordinated by the Corporate Committee on Social Policy, which determines the priorities and areas of financing, creates the budget of programmes and determines the strategy for positioning projects, taking into account RUSAL's goals in each of the regions of presence.

Management bodies of the social investment system



**GRI 102-43, SASB EM-MM-210b.1** RUSAL considers the expectations of a wide range of stakeholders. The Company maintains an open dialogue with stakeholders to determine priority areas of activity in the regions where the Company operates. RUSAL uses various tools to interact with local communities, such as seminars, master classes, theme meetings, round tables, focus group surveys, working groups with the participation of representatives of state and municipal authorities, entrepreneurs, active citizens and non-profit organisations.

**RUSAL's key stakeholder groups:**

- shareholders and investors
- customers and suppliers
- employees and trade unions
- state and municipal authorities
- local communities.

**GRI 103-3** The Company conducts research to analyse the needs of local communities and based on the results RUSAL issues measures to support local communities. This analysis makes it possible to determine priority areas of social investment during the Company's contests and agreements on socio-economic partnership with regional and municipal authorities.

**GRI 203-2** The Company implements charitable and social programmes aimed at improving the quality of life, healthcare, and education in the countries of its presence. Programmes for local communities are addressed, among other things, to small indigenous peoples to provide them with clean water, electricity, social and medical services.

In 2021, RUSAL continued to finance social programmes aimed at creating a favourable social environment for urban residents through the implementation of sustainable models of social investment in the integrated socio-economic development of the territories with a broad participation of stakeholders.

**List of priority areas of social investments in 2021:**

- social infrastructure and urban environment for comfortable living in the region
- assistance to socially vulnerable groups of the population
- sports and healthy lifestyle, leisure arrangements
- education
- ecology and animal protection
- healthcare
- volunteering, including corporate volunteering
- culture.

A priority area of the Company's sustainable development is the creation of a sustainable competitive advantage by creating jobs and living conditions that meet the expectations of a new generation of employees and sustainability standards by 2030.

## Centre for Social Programmes

The corporate Charitable Foundation Centre for Social Programmes (CSP) was first established in 2004, it is the main tool for implementing RUSAL's social policy. The CSP coordinates all of RUSAL's social programmes and its financial security. The main task of the foundation is to select and support the most useful and promising social initiatives. At the same time, the assistance is not limited only to financing. Much attention is paid to the use

of the latest technologies in the implementation of social projects, as well as the replication of effective practices and the involvement of communities in solving important social problems of territories.

The head office of the Centre for Social Programmes is located in Krasnoyarsk; regional branches are located in the Republic of Khakassia, Irkutsk and Sverdlovsk oblasts.

### The CSP activities in 2021

**174,130**

people and

**295**

organisations – total number of beneficiaries

**331**

volunteer events organised by the Company

**3,130**

volunteers attracted, including

**1,814**

corporate volunteers

**\$34.76**

million allocated to social investments and charity projects

**7**

regions of presence

Based on the expert assessment of the system of charitable programs and social investments as part of the contest "Leaders of Corporate Charity" held by the Association of Grant-Giving Organizations "Donor Forum", the Kommersant Publishing House, RUSAL became A + in the rating "Leaders

of Corporate Charity". This is the highest level in the rating that ranks companies by level of their social responsibility and corporate charity.

### Managing social investments outside Russia

**GRI 103-2** The prioritised directions for the programmes outside Russia are improving and developing health and education systems in the regions where the Company operates. These programmes also target support of small indigenous people by ensuring a decent quality of life (access to clean water and sanitation, electricity, social and medical services).

**GRI 103-2** In order to interact with local communities the Company's international enterprises have social project committees that accept and process messages and requests of local communities. The committees consist of representatives of personnel services, finance and public relations.

**GRI 103-3** To analyse the existing and emerging needs of local communities, the Company conducts public hearings and consultations during the modernisation and expansion of existing production facilities, as well as the construction of new ones.

**SASB EM-MM-210a.3** Furthermore, RUSAL's managers and specialists, who are responsible for public relations, HR, and security issues, organise scheduled and extraordinary meetings with local communities' representatives, where the Company resolves any issues related to the interaction with local residents, in particular with representatives of indigenous peoples and discusses any possible conflicts and disputes.

### RUSAL social responsibility awards received in 2021

Competition	Category	Winning programme/plant
Corporate Charity Leaders	1st place in the Best programme/project in the field of environmental education category Partner of the nomination – Ecology Public Forum	RUSAL's Green Wave Ecomarathon
	2nd place in the Best programme/project contributing to the professionalisation of the non-profit sector nomination Partner of the nomination – Ministry of Economic Development of the Russian Federation	Create. Embody. Estimate, a crash course
Champions of Good Deeds	1st place in the Health category	The Energy of Our Heart charitable sports festival by RUSAL's Centre for Social Programmes
	3rd place in the Local communities' category	Lifeline Games project of RUSAL Centre of Social Programmes

In Jamaica	the implementation of social programmes is coordinated by the RUSAL Senior Information and Public Affairs Officer in the HR directorate of Windalco.
In Guinea	the implementation of social programmes is coordinated and monitored by Sustainability Directorate and the Public Relations Directorate of the Republic of Guinea. Moreover, RUSAL Charitable Foundation in the Republic of Guinea is considered the sponsor funding these social programmes.
In Ireland	the HR and Community Affairs Coordinator in the Recruitment and Public Affairs Department of the Aughinish facility is responsible for the realisation, implementation and monitoring of RUSAL social programmes.

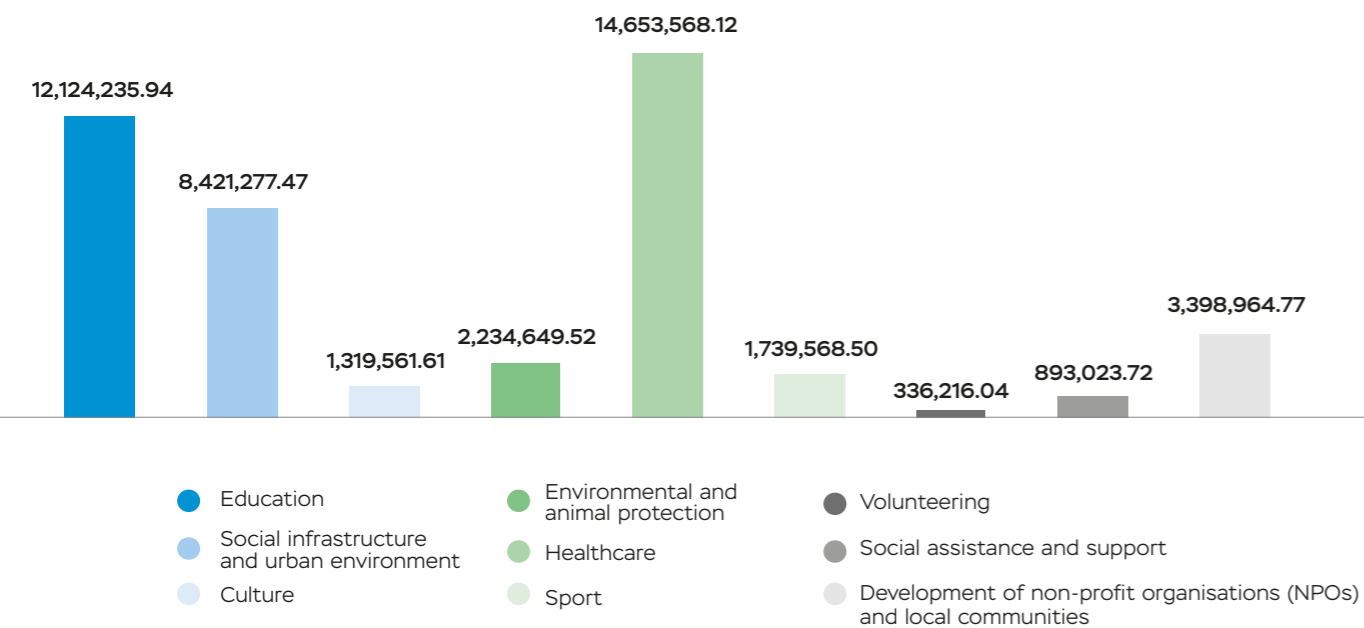
## Development of local communities in Russia

In 2021, RUSAL's total social investment in Russia was USD 40.95 million.

RUSAL made a great progress in the social context. The Company implemented large-scale infrastructure projects in ten cities of presence to help developing open public spaces. RUSAL provided support throughout the whole project management process: developed the projects plans and the estimates, provided expert appraisal procedures as well as financial support of projects, supervised construction and financial management at all project management stages.

RUSAL's extensive experience and opportunities as a result of its interaction with state and municipal authorities helped the Company expand its interaction with local communities. As a result, the Company strives to develop human capital by focusing primarily on its employees, creating a comfortable environment in the operating regions to provide better conditions for self-development and encourage a healthy lifestyle outside work. In addition to improving the quality of life of local residents, RUSAL focuses on developing and promoting a healthy lifestyle and encouraging volunteering initiatives. Social investments in RUSAL are carried out by the following programmes:

Funds allocated to the respected areas of social investment in 2021, USD



### Priority areas and programmes

HKEX KPI B8.1, GRI 203-1

Programme	Description
<b>RUSAL Territory</b>	Socioeconomic development of territories
<b>Helping is Easy</b>	Corporate and urban volunteering
<b>Get on Your Skis Everyone!</b>	Infrastructure development and promotion of skiing and healthy lifestyle
<b>School of Urban change</b>	Support for active citizens who implement urban development projects
<b>Sustainable Development of Social Responsibility Areas</b>	A program aimed at supporting significant projects, events and organizations in priority areas of the Company's social investments based on agreements on socio-economic cooperation between the Company's enterprises and regional and municipal authorities and decisions of the Social Policy Committee of RUSAL

### RUSAL Territory programme

GRI 203-1

The RUSAL Territory programme was established in 2010. The Company has done a great deal of work to modernise its social infrastructure through the implementation of various projects in the areas of education, healthcare, sports, culture, and tourism. During all the years of the program's existence, the Company has supported **653 projects** on the restoration of social infrastructure facilities including about 300 on the construction of new facilities. The total amount invested in the RUSAL Territory programme during its effective term (including the reporting period) is **USD 8.55 million**.

Despite the COVID-19 pandemic and the governmental restrictions, the Company continued implementing infrastructure projects for the cities, special areas or residential buildings.

#### Goals:

- improving the quality of life for local communities
- supporting of cultural and art spaces
- organising cultural, educational and sporting events.

When implementing an infrastructure project, RUSAL puts first the needs and interests of stakeholders which are identified based on the Company's social research.

In 2021, a new area of the program Territory of RUSAL – New Instruments for the Development of Urban Infrastructure was developed and launched, aimed at attracting finance from state programmes by municipalities.

#### As part of the new programme:

- analysis of the current state of social and public infrastructure, municipal project initiatives to modernise urban infrastructure and possible sources of financing (budgetary and extra-budgetary) in 11 cities was carried out
- a programme of training and consulting support for 11 municipal management teams regarding the attraction of budget financing for the implementation of urban infrastructure development projects was developed and prepared for implementation in 2022.

#### The projects were launched and considerable progress was achieved in the following regions:

- Achinsk, Sayanogorsk, Taishet and Tahezny: currently the project is at its final stage, and 95% of the work has been done.
- Kandalaksha: design and budgeting documentation has been developed and a municipal contract has been concluded for the performance of construction and assembly work on the project in 2022.
- Krasnoyarsk: the plans and estimates have been developed and together with the municipality was organised a joint project management group who launched the construction and development works in the city of Krasnoyarsk.
- An agreement on the project plan and estimation development in Severouralsk was signed.
- An agreement on the project plan and estimation development in Kamensk-Uralsky and Bratsk was signed.
- An agreement on the project plan and estimation development and funded the state commission assessment of the project in Volgograd was signed.
- Support to the municipalities of Krasnoturinsk and Shelekhov during all the stages of preparing and submitting documents and applications for the national competition of the best projects for creating comfortable urban environment in small towns and historical settlements organised by Russia's Ministry of Construction was provided. With the Company's support municipalities managed to win the competition and attract co-financing for project implementation for a total of USD 3.35 million (including federal and regional budget). An agreement on project planning development and estimates and an agency agreement for landscaping management were signed. During the reporting period, RUSAL invested USD 27.8 thousand in these projects.

Within the framework of the RUSAL Territory programme, 11 large-scale projects continued receiving financing in the amount of USD 2.41 million.

## Volunteering

### RUSAL's Helping is Easy programme

RUSAL's Helping is Easy programme was implemented in 2013 to support active residents in realization of volunteer projects, helping non-profit organisations, social, medical and educational institutions, rehabilitation centres, orphans, veterans, and pensioners.

Under the Helping is Easy programme, USD 1.59 million was allocated for projects and activities during its effective term (including the reporting period) for the development of urban and corporate volunteering.

#### Goals:

- develop and implement technologies that involve volunteers in socially significant activities
- train volunteers and corporate volunteers
- 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.

In the second half of 2021, the grant contest of volunteer projects Helping is Easy 2021 was held. 215 applications from 14 cities in 7 regions of Russia were accepted for consideration, 199 of them passed technical expertise and were sent for evaluation by regional experts. Based on the assessment of regional experts, the Company's Social Policy Committee supported 66 projects that will be implemented in 2022. The total amount of the grant fund was USD 79.28 thousand.

In 2021, the Helping is easy programme focused its work on the development of an internal corporate community of volunteers. In 2021, the Company relaunched the updated corporate volunteering programme. Updated Regulation on corporate Volunteering of RUSAL was developed and implemented, volunteer headquarters were organised in 10 cities at enterprises, approaches to conducting volunteer events in cities were revised.

A pilot project was implemented to work with orphans together with the Noon Social Development Foundation to develop the activities of the Company's volunteers

with sponsored social institutions and orphanages. 30 corporate volunteers and 60 children from orphanages in Achinsk, Novokuznetsk, Kamensk-Uralsky, Krasnoyarsk took part in it. Following the results of the pilot project, a positive response was received from all its participants, and therefore it was decided to scale it in 2022.

The number of RUSAL employees constantly participating in volunteer activities increased by 110% in 2021, to 1,814 people from 866 in 2020.

#### Traditional network actions aimed at the development of corporate volunteering and local communities took place in 2021:

- Green Wave campaign: 600 volunteers planted 1,252 saplings of trees and shrubs in open public spaces in nine cities.
- River Day Ecomarathon: 500 volunteers in 10 cities collected 14,000 tons of garbage from the shores of reservoirs and 3.5 tons of waste were transferred for recycling.
- New Year Marathon: 400 corporate volunteers in 15 cities organised 130 charity events in sponsored social institutions, according to the results of the marathon in 2022, small forms (playgrounds and sports grounds) will be installed in 15 sponsored institutions in the amount of USD 47.52 thousand.

The Foundation's employees, together with corporate volunteers, organised bright city charity events: The Energy of Our Heart charitable sports festival in Achinsk, the Seventh Lifeline Games in Novokuznetsk, the action World Jam in Kamensk-Uralsky, in which more than 1,000 people took part, USD 6.79 thousand were collected and directed for helping social institutions.

In 2021, RUSAL participated in the tenth Moscow International Forum Corporate Volunteering: Business and Society. The speakers from RUSAL were Rustam Zakiev, Director of the Department of Sustainable Business Development of Sustainability Directorate, Rusal and Anastasia Kovenkina, executive of the Helping is Easy programme, Centre for Social Programmes.

## Development of infrastructure and urban environment

### RUSAL's School of Urban Change programme

The School of Urban Change programme takes care of two significant blocks.

The first one is educational, and it helps with identifying, training and accompanying potential leaders of local communities (independently or in partnership with RUSAL) to improve the quality of life through territorial development projects.

The second one is social, and it provides the negotiation platforms where the active residents, administration representatives, experts and entrepreneurs can discuss actual territorial issues or disputes and jointly propose possible solutions.

#### Goals:

- preparing active residents and representatives from creative communities to develop and successfully implement initiatives and projects related to solving pressing social issues and improving the urban environment.

As part of the School of Urban Change programme in 2021, 32 educational events were held with the participation of 1,238 people and 35 experts and twelve of them in the online format.

The most ambitious event of the programme in 2021 was the IV Project Intensive Create. Embody. Estimate. More than 350 people took part in the event in online format. An application for a business game was additionally used, due to which participants were able to apply the knowledge gained at the Intensive course while solving cases.

In February 2021, the corporate foundation in partnership with En+ Group and the Presidential Grants Fund,

developed and implemented a distance learning course Eco-Action Time. During the year, the course was attended by 178 students. Participants were given the opportunity to understand which area of ecology is most relevant for a particular city, as well as to study many examples of environmental projects – from entrepreneurial to volunteer.

In total, 5 distance courses were available for training in the online school on the foundation's platform in 2021: Social Design, Social Entrepreneurship, Corporate Volunteering, Communities and public Spaces and Eco-Action Time.

In 2021, 712 students took part in 5 distance courses, 117 of them received electronic certificates of full completion of the programmes, 20 people passed the final certification and received certificates of advanced training at the end of the courses Autonomous Non-profit Organisation for the Provision of Social Services Centre for the Study of Social Systems.

As part of the programme for corporate volunteers, a Volunteer School was held in June and July 2021 – a series of educational online meetings. In 6 weeks, together with the school's experts, participants at online meetings sorted out 12 topics. 158 people were registered as students at the Volunteer School. In September 2021, an internship and a professional development programme effective management of open public spaces was organised for the management teams of municipalities implementing projects in Kazan. The purpose of the internship and the professional development programme was to transfer technology and successful experience in the implementation of projects for the creation and development of open public spaces.



## Comparative indicators of the quantitative results of the School of Urban Change programme

Quantitative performance indicators of the programme	2019	2020	2021
<b>Face-to-face events</b>			
Number of events	87	43	20
Number of participants	2,066	1,188	242
Number of participants who submitted project applications for grant tenders	189	53	56
Number of partner organisations	46	47	27
Number of experts engaged	87	62	35
Number of volunteers engaged	42	3	5
<b>Online formats</b>			
Number of webinars and events	2	19	19
Number of participants	120	859	996
<b>Social Entrepreneurship distance learning course</b>			
Number of registrants	299	221	172
The number of those who have completed the course and received a certificate of completion of the course	5	1	1
<b>Social Design distance learning course</b>			
Number of registrants	407	360	237
The number of those who have completed the course and received a certificate of completion of the course	not issued	43	33
The number of those who have received a certificate of advanced training	20	38	20
<b>Corporate Volunteering distance learning course</b>			
Number of registrants	175	47	58
The number of those who have completed the course and received a certificate of completion of the course	10	14	15
<b>Communities and Public Spaces distance learning course</b>			
Number of registrants	86	44	67
The number of those who have completed the course and received a certificate of completion of the course	12	15	20
<b>Eco-action Time distance learning course</b>			
Number of registrants	-	-	178
The number of those who have completed the course and received a certificate of completion of the course	-	-	48

## Programme for Sustainable Development of Social Responsibility Areas

The Company is implementing the programme for Sustainable Development of Social Responsibility Areas.

In 2021, the Company's social investments under the programme amounted to USD 31.23 million and were distributed to more than 180 organisations and 11 individuals in RUSAL's 18 territories of responsibility.

### Relocation programme

**GRI MM9** In 2021, the resettlement programme of Chekanovsky village in Bratsk Central district had continued. To date, 548 houses have been demolished, further demolition will be carried out as residents are evicted and permission to demolish residential buildings is obtained from the Central District of the city of Bratsk. The total amount

In 2021, within the framework of this programme, RUSAL continued to finance the project Construction of Hospitals in 7 Russian cities to complete repairs, and USD 10.58 million was spent on equipping the improvement of adjacent areas. The total amount of investments in the implementation of the project in 2020–2021 amounted to USD 46.67 million.

invested in the project over the whole period from 2008 exceeds USD 14.94 thousand, for 12 months of 2021 – USD 5.7 thousand. As part of the programme, 401 families have already received new housing. Along with the resettlement of residents, RUSAL is also engaged in land rehabilitation.

## Healthy lifestyle

### Get on Your Skis Everyone! project

The Get on Your Skis Everyone! project was established in 2016 by RUSAL, En+ Group and the Russian Ski Federation's initiative.

The programme aims to promote cross-country skiing and a healthy lifestyle by conducting various skiing events, training seminars for trainers, improving skiing infrastructure and providing annual support to the Russian national cross-country skiing team through skiing equipment.

Within the framework of the project, mass cross-country skiing competitions are held with the participation of athletes of different ages, both amateurs and professionals. For the most promising young skiers is also foreseen

a support, i.e. acquiring necessary sport equipment and inventory. Athletes show their progress by taking part in the RUSAL Cup and En+ Group competition.

On top of that, together with the Siberian State University of Physical Culture and Sports RUSAL has developed a special training programme for children's coaches. The programme consists of several modules, including the latest methods of training athletes, the basics of psychology and sports nutrition. In addition, due to the project, modern methodological manuals for children's coaches have been updated (in particular, the Athlete's Diary) for the first time in the past 10 years, which take into account the training specifics of skiers. All these materials were transferred to sports schools and ski sections.

## Education

### Launch of En+ Group's own scholarship programme for talented students

In 2021, RUSAL with En+ Group launched a scholarship programme for full-time students of higher and secondary vocational education with state accreditation of certain specialties such as power engineering, metallurgy, chemistry, thermal power engineering, thermal chemistry, etc.

**The objective of the programme is to identify and support gifted students interested in professional development; to increase the prestige of professions necessary for the development of the regions where companies operate; as well as to strengthen partnerships with higher and secondary educational institutions in the regions – states Natalia Albrecht, Deputy General Director for Personnel Management of En+ Group.**

The criteria for the selection of scholarship holder are high academic performance, successful experience of participation in competitions and Olympiads, as well as the availability of scientific publications. Additional points are awarded for participation in charity, volun-

teer and donor actions. The amount of the scholarship is set depending on the level of education received (higher or secondary), as well as the course of study of students and varies from RUB 10,000 in the second year to RUB 25,000 in the fifth. The scholarship project has become a new stage in attracting promising specialists to the Company.

Geographically, the programme covers all regions of the Company's presence. There are 66 participants from RUSAL and En+ regions of responsibility in the programme. The Company plans to conduct a scholarship programme annually, gradually expanding professional areas.

#### The programme will continue in 2022:

- the Soft Skills development track is planned to attract students to the corporate life of enterprises
- a new set is planned.

### Charity

In Guinea, RUSAL has created the charitable non-profit RUSAL – Guinea Foundation for successful implementation of various social projects. The purpose of this Foundation is to promote and support various charitable projects and social events in the interests of the population of the Republic of Guinea. In particular, the Scientific Clinical Diagnostic Centre for Epidemiology and Microbiology in the Kindia region is financed through the efforts of the RUSAL – Guinea Foundation.

In 2021, RUSAL provided charitable assistance to 16 villages in the Company's area of presence. The allocated funds were used to support local infrastructure projects.

Financial assistance was provided to women of the sub-prefectures of Kamsara and Sangaredi to mark the celebration of International Women's Day on March 8 to promote socio-economic development in RUSAL's operating regions.

### Education

For many years, RUSAL has been contributing to the training of Guinea specialists by providing grants and scholarships to young students in the country. In addition to studying at universities, RUSAL provides students with practical training at its enterprises, as well as at the Moscow office.

The educational programme RUSAL Scholarship 2018 is intended to run over a period of 6 years, during which the Company has committed to spend more than USD 8 million to train Guinea mining specialists, railway workers, economists, builders, medical, and administrative employees.

In 2021, students of the RUSAL's 2018 Scholarship programme successfully continued their studies at Russian universities in their chosen specialties.

## Development of local communities outside Russia

GRI 203-1, HKEX KPI B8.1

**In 2021, RUSAL's total social investment outside Russia was USD 4.17 million.**

### GUINEA

#### Development of infrastructure and urban environment

In 2021, at the expense of RUSAL funds, a new elementary school building with equipped classrooms, a living room for the director and an artesian well was built in the rural district of Dugula Boke.

In 2021, a road bridge built by RUSAL across the Samu River in the Kindi district was put into operation. This bridge connects the remote parts of Kindia and creates additional opportunities for economic development of the region and the Republic of Guinea as a whole.

In 2021, RUSAL launched a project to repair and restore the municipal treatment facilities in Friya, (approximate project completion time is September 2022).

In 2021, RUSAL built and equipped a bauxite quality control laboratory in the Kamsar Sub-prevention. RUSAL's investments in creating and equipping of this laboratory with the most modern equipment for X-ray fluorescence (XRF) analysis of samples exceeded USD 1.5 million.

### SWEDEN

#### Charity

In 2021, Kubal, RUSAL's company in Sweden, provided financial support in various areas of social support – prevention of paediatric oncology, assistance in adapting vulnerable segments of the population, medical and humanitarian assistance to children from vulnerable families.

#### Education

Kubal accepts students from Mid Sweden University (Sundsvall) who can write graduation papers based on the practice received at the production site.

Twice a year, Kubal participates in student fairs at Mid Sweden University (Sundsvall). The Company supports local schools in acquiring environmental-related training materials.

#### Sports and healthy living

Kubal supports the local football club GIF Sundsvall. This applies to their social work among socially vulnerable children and disabled people.

**JAMAICA**

**Charity**

As part of back-to-school activities, the Company donated 145 tablets, five laptops, and approximately USD 4 million in book vouchers to students in host communities of St. Ann, St. Catherine, and Manchester.

In 2021, Winalco provided financial assistance towards national initiatives Read Across Jamaica Day with the purchase of E-Books for teachers and students to promote literacy. Financial assistance was also provided to health and educational initiatives through the Sagicor Sigma Foundation and to assist with the repairs to the Ewarton Police Station in St. Catherine.

**Education**

Winalco, a RUSAL company in Jamaica, promotes education among residents and seeks to create a mutually beneficial relationship between the Company and the community through local scholarships and grants, sponsorships and donations to educational institutions, civic groups as well as in sports field.

**Local & International Scholarships**

In 2021, the Company again initiated and implemented its International Scholarship Programme by inviting and accepting 24 Jamaican students to study at the Siberian Federal University in Krasnoyarsk. The 24 students have started their programme of study

virtually and are expected to travel to Russia in 2022. Winalco will provide airfare, accommodation, monthly scholarships, winter clothing allowances, internships, and medical insurance during the tenure of the programme.

In 2021, the Company also awarded five final year engineering students at the University of Technology as part of the annual scholarship programme. The financial award assists students to complete their final year engineering research projects as well as helps to cover tuition costs ahead of graduation.

The local scholarship and grants programme awarded 80 students with bursaries attending tertiary institutions across the island to assist with college/university tuition. Students were selected based on their academic performance, financial need, and involvement in extra-curricular activities as well as based on their knowledge of the bauxite industry.

**Summer Employment/Internship Programme**

Winalco employed 43 university students in August 2021 as part of its Summer Employment Programme. This initiative provides invaluable practical working experience to university students and better equips them for the working world. The students were placed in departments based on their field of study and were supervised and mentored while they gained working experience.

**IRELAND**

**Charity**

Fundraising events took place throughout the year to support charities that were affected by the curtailments which arose due to COVID-19. Employees organised collections for their nominated charities.

Some Aughinish Alumina employees also donated their time to volunteer with charitable organisations, and the Company fully supported their efforts. This participation is far-reaching and has a very positive influence on the culture within the organisation.

In 2021, more than 500 families were helped to receive hampers of food for Christmas and New Year holidays.

**Sponsorship**

Aughinish Alumina provides support and sponsorship to a large number of local Gaelic Athletics Association Clubs and is the main sponsor of the local Aughinish soccer club.

Aughinish Alumina provided sponsorship to a variety of local sports clubs in the following fields: golf, soccer, tennis, boxing, cycling and triathlon. Aughinish Alumina's

employees and their children are active participants in these clubs as players and volunteer trainers. There are also sports facilities on the premises that include tennis courts, a basketball/indoor soccer court, and a small gymnasium, which are used by employees and members of the local community.

**Education**

Aughinish Alumina provided support for the local sea-aircraft museum which is a valued local amenity and a very popular local educational attraction. The museum is putting this support towards its current expansion and renovation project which will allow a more immersive experience for visitors. The revitalised museum will open to visitors in 2022.

All Aughinish employees participated in the 2021 Environmental Team Days. This involved the Management

Team and the Environmental Team meeting small groups and taking them through all aspects of the work carried out in Aughinish to protect the environment. The role and responsibility of each individual in supporting the environment was emphasised.

**Community**

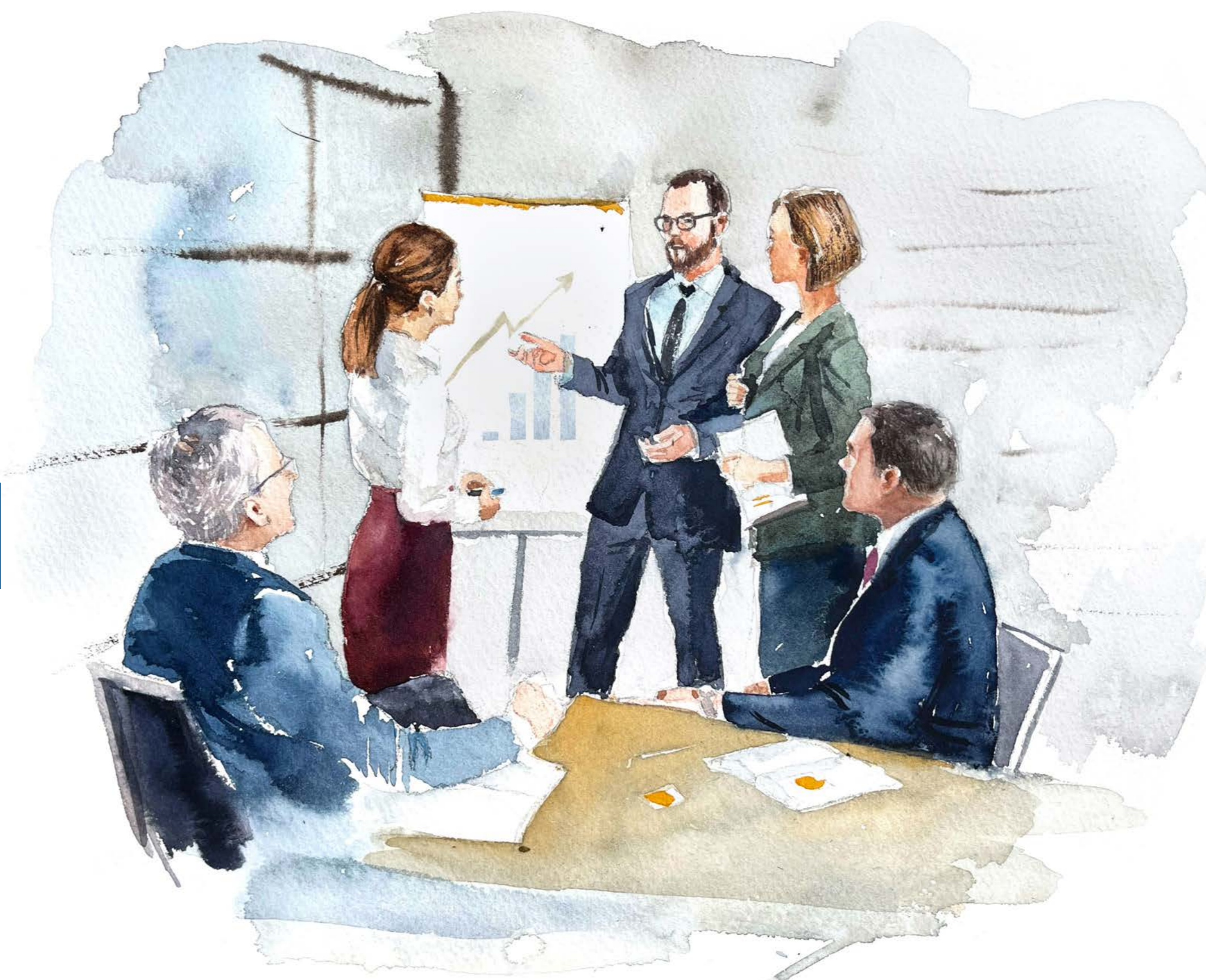
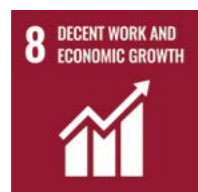
Aughinish Alumina provides support to local clubs and associations, including Senior Citizens Group, Irish Countrywomen's Association, and local Scouts. The Company also supports community councils in their efforts to maintain and develop the local areas. In addition, the annual community evening organised by Aughinish Alumina attracted many of nearest neighbours and provided an opportunity to discuss further development of the areas nearby.



# 04.

## CORPORATE GOVERNANCE

Global sustainable development goals



8

INDEPENDENT DIRECTORS  
ON THE BOARD

100%

OF DIRECTORS  
AND EMPLOYEES COVERED  
BY ANTI-CORRUPTION TRAINING

RUSAL'S MASTER STATUS  
AS A SUPPLIER RECEIVED FROM

89%

OF CLIENTS

BUILDING  
TRUST

# 4.1. Corporate governance

## Material topics

CONTRIBUTION TO ECONOMIC SUSTAINABILITY AND DEVELOPMENT

COMPLIANCE AND ANTI-CORRUPTION

## 2021 highlights

8

INDEPENDENT DIRECTORS ON THE BOARD

6

BOARD COMMITTEES SERVED BY INDEPENDENT DIRECTORS

### GRI 103-1, GRI 103-2

An effective system of corporate governance is the foundation for the Company to build trust in relations with shareholders, investors, and employees and to help with strengthening the Company's stability. RUSAL's corporate strategy impacts all business processes of its business units. RUSAL's corporate governance system is continually improving and developing to bring long-term value to all the stakeholders.

RUSAL is governed by international and Russian corporate governance principles; the Company monitors require-

ments and best practices while consistently improving its own governance system to achieve transparent and conscientious relations with its stakeholders. RUSAL complies with the requirements of the Russian laws, the MOEX Listing Rules, and the guidelines of the Russian Corporate Governance code. In a view of the trading on the Hong Kong stock exchange, RUSAL is also guided by the HKEX CG Code and the HKEX Listing Rules.

## Corporate governance structure and composition

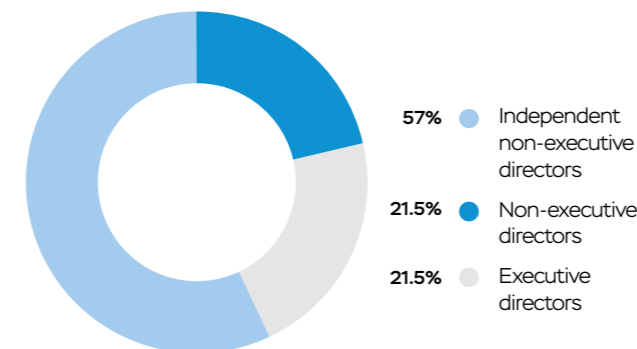
GRI 102-18, GRI 102-22, GRI 102-23, GRI 102-24, GRI 102-26, GRI 102-27, GRI 102-28, GRI 405-1, HKEX Para 10

RUSAL's corporate governance structure is in line with the global best practice, including sustainability management aspects. The Company's supreme governing body is the General Meeting of Shareholders. The procedure for convening and holding general meetings of shareholders is regulated by the Charter of UC RUSAL.

**GRI 102-26, HKEX PARA 10** The Company's activities, including management of sustainability issues, are governed by the Board of Directors, which reports to the General Meeting of Shareholders. The Board of Directors reviews and approves the Company's strategic priorities, including its long-term sustainability strategy, monitors implementation of priority sustainability projects and improvement of the internal corporate regulation system and provides its recommendations to the Company's corporate governance bodies. During the reporting period, the Board of Directors comprised of 14 members. Eight of the Board members are recognised as independent, and three are non-executive in nature.

### Independence of the Board, %

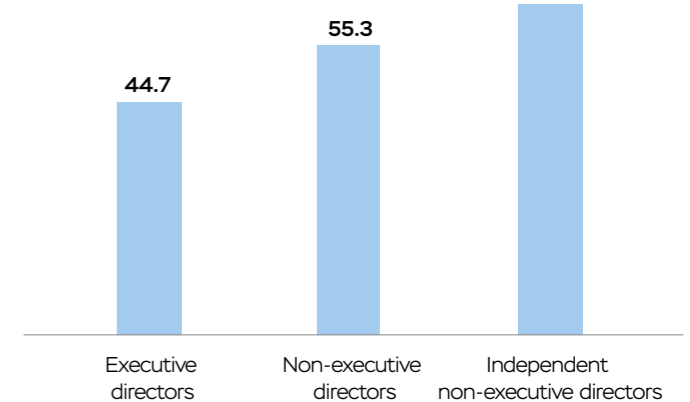
GRI 102-22



**GRI 405-1 GRI 102-22** In order to ensure sustainable and balanced development, RUSAL recognises that increasing the diversity of its Board of Directors is a critical component in accomplishing its strategic objectives and achieving long-term growth.

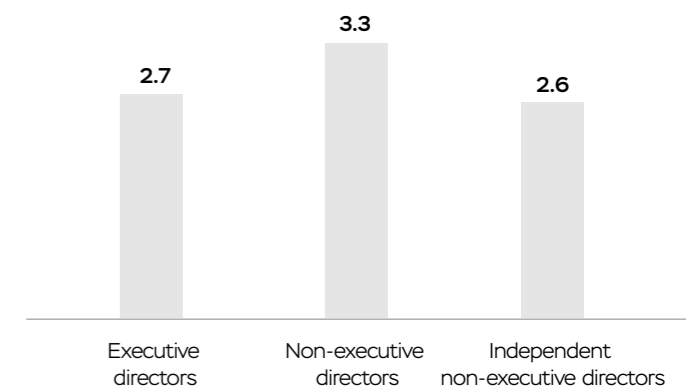
### Average age of Board members, years

GRI 102-22 GRI 405-1



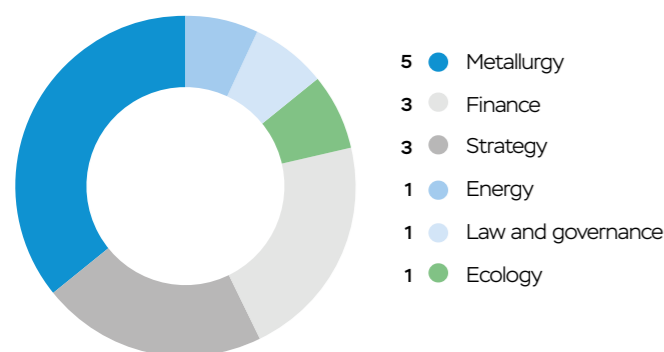
### Average tenure of Board members, years

GRI 102-22



**GRI 102-24** Gender, age, cultural and educational background, ethnicity, professional experience, skills, expertise, and length of tenure – all these factors are taken into account when the Board is formed. All nominations to the Board are made on the meritocracy principle, and applicants are evaluated based on objective criteria and with fair consideration for the advantages of diversity on the Board. In 2021, a new member, Ms. Anna Vasilenko, was elected to the Board of Directors as an Independent non-executive director.

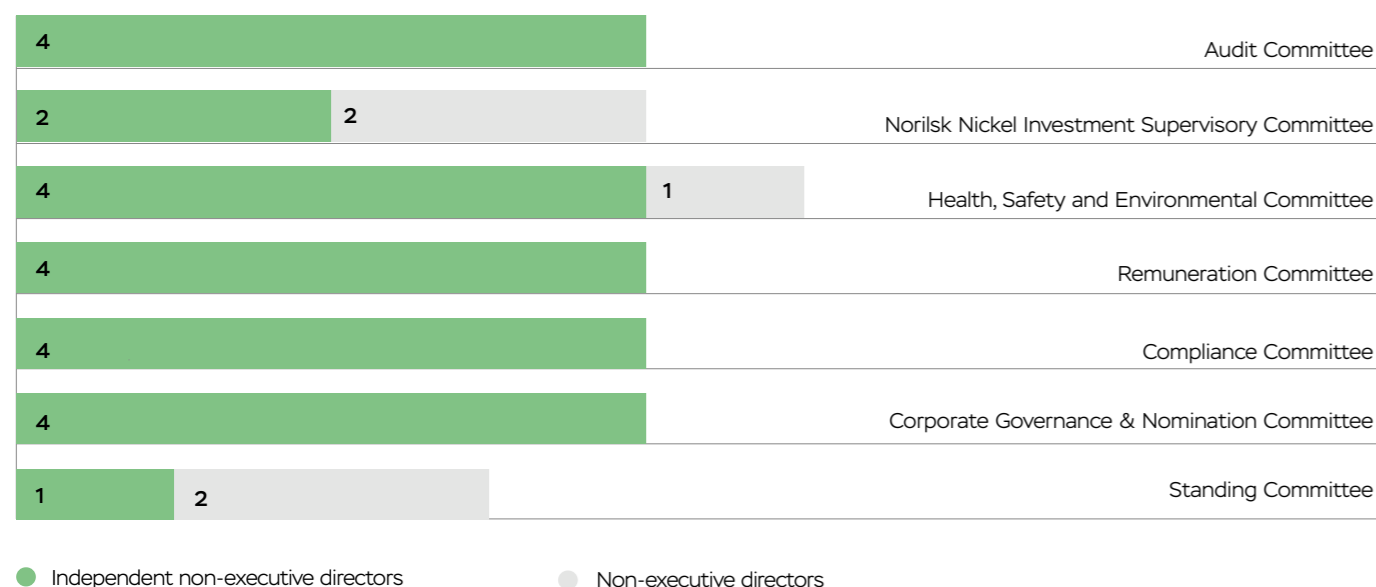
### Skills diversity of Board



GRI 102-18 GRI 102-27

There are seven committees of the Board of Directors to assist the Board in the performance of its functions. The main role of the committees is to make recommendations to the Board of Directors on the issues within the scope of their competence including social, environmental and governance issues. During 2021, there were changes in the composition of the Board committees, Ms. Elsie Leung who left the Remuneration Committee and Audit Committee, and Ms. Anna Vasilenko who joined these committees; and Mr. Nicholas Jordan who was appointed as the chairman of the Remuneration Committee.

### Independence of Board committees



**GRI 102-23** Mr. Bernard Zonneveld is the independent non-executive Chairman of the Board of Directors. His responsibilities are to ensure effective functioning of the Board, including active engagement of each Director, and to support effective communication with shareholders. In 2021, Bernard Zonneveld participated in the discussion of the role boards of directors play as key agents of change in companies. The discussion was held among the chairmen of the boards of major Russian public companies, and ESG was one of the key topics they discussed.

**GRI 102-26** The General Director (General Director) of RUSAL is Evgenii Nikitin, who acts on behalf of the Company and represents its interests in accordance with the Charter. Evgenii Nikitin's chief responsibility is to oversee

day-to-day operation, including being responsible for development of a sustainable business model, and implementation of the strategic decisions and sustainability strategy, approved by the Board of Directors. Also, Evgenii Nikitin establishes rules for energy transition management, encourages net-zero energy generation, and leads formation and maintenance of an appropriate corporate culture that give due regard to the demands of our diverse stakeholders.

**GRI 102-23** Importantly, the roles of the Chairman and the General Director at RUSAL are separate and independent.

For more detailed information on Corporate governance, please see **p. 90-143** of the Annual report.

### Remuneration of the members of the supreme governing bodies

GRI 102-35, GRI 102-36

RUSAL's remuneration policy is in line with the Russian Corporate Governance Code's recommendations and goals to attract, motivate and retain professionals with the skills required to successfully manage the Company, incentivise achievement of its strategic objectives and long-term growth, align management's interests with the primary goal of creating long-term value for shareholders and promote the corporate mission and values.

For more information about the personnel incentive system, see the Motivation and remuneration section, **p. 81**.

The total pay awarded to all the Board members, including remuneration for membership on the Board committees, was USD 7,629,000. The Chairman of the Board was entitled to receive a chairman's fee of EUR 1,000,000 in 2021 prior to 1 July 2021. According to the resolution of the AGM 2021 with effect from 1 July 2021 the Chairman of the Board was entitled to EUR 1,430,000 annually (before tax) to be paid monthly in equal installments.

### Remuneration, year ended 31 December 2021, USD thousand

	Salaries, allowances, benefits in kind	Directors' fees	Discretionary bonuses	Total
<b>Executive Directors</b>				
Evgenii Nikitin (General Director)	1,433	-	992	2,425
Evgenii Vavilov	41	-	5	46
Evgeny Kuryanov	262	-	232	494
<b>Non-executive Directors</b>				
Marco Musetti	-	306	-	306
Vyacheslav Solomin	-	324	-	324
Vladimir Kolmogorov	-	259	-	259
<b>Independent Non-executive Directors</b>				
Bernard Zonneveld (Chairman)	-	1,562	-	1,562
Christopher Burnham	-	305	-	305
Nicholas Jordan	-	322	-	322
Elsie Leung Oi-Sie <sup>51</sup>	-	149	-	149
Kevin Parker	-	336	-	336
Evgeny Shvarts	-	307	-	307
Randolph Reynolds	-	295	-	295
Dmitry Vasiliev	-	348	-	348
Anna Vasilenko <sup>52</sup>	-	151	-	151
<b>Total</b>	<b>1,736</b>	<b>4,664</b>	<b>1,229</b>	<b>7,629</b>

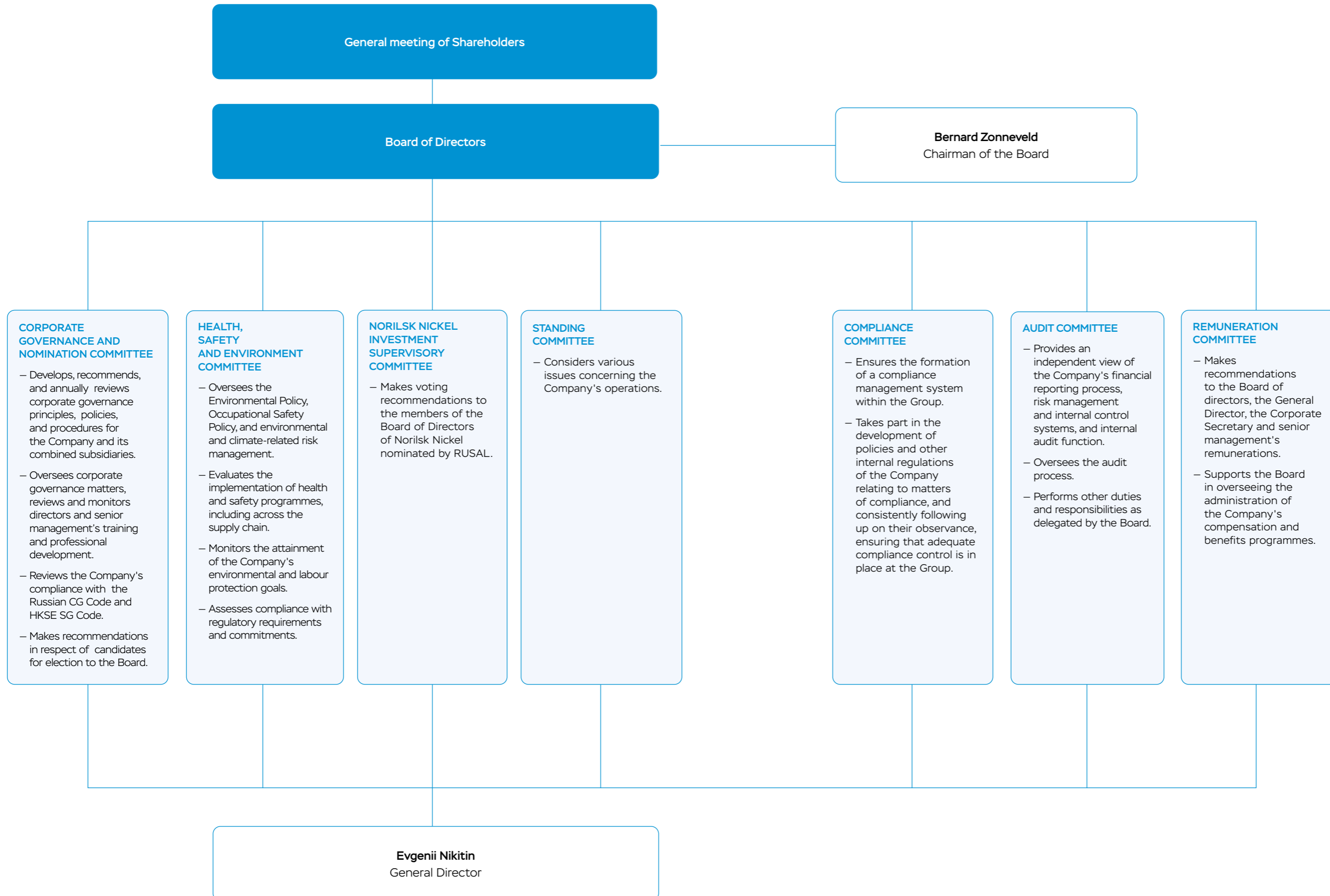
The Remuneration Committee considered the recommendations in the the Russian Corporate Governance Code, as well as best national and international practices, when defining RUSAL's remuneration policy for members of the Board of Directors, the General Director, and Executives with strategic responsibilities.

For more information about remuneration, see 2021 Annual Report, **p. 124-126**

<sup>51</sup> Elsie Leung Oi-Sie ceased to be an independent non-executive Director from 24 June 2021.  
<sup>52</sup> Anna Vasilenko was elected as an independent non-executive Director from 24 June 2021.

Corporate governance structure

GRI 102-18



## 4.2. Risks and internal control

GRI 102-15, GRI 102-29, GRI 102-30, GRI 102-33

The purpose of the Company's risk management and internal control system is to ensure achieving its operation goals, as underpinned by the Strategy, by developing and maintaining the organisational structure, processes and resources aimed at identifying, assessing, managing and monitoring risks. Efficient risk management and internal control facilitates the strategy implementation process as well as contributes to achieving goals, improving the efficiency of the decision-making process with regard to project-based activities and operational performance of the Company.

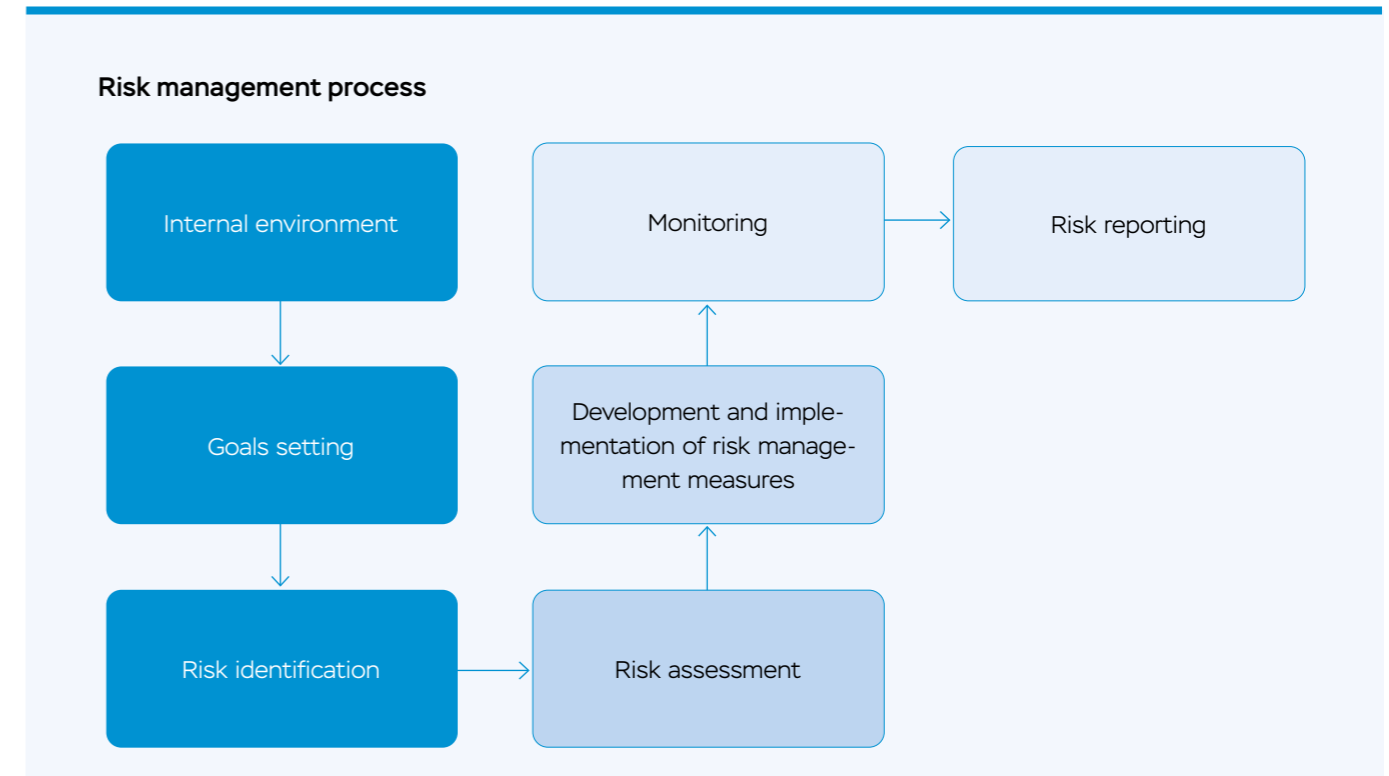
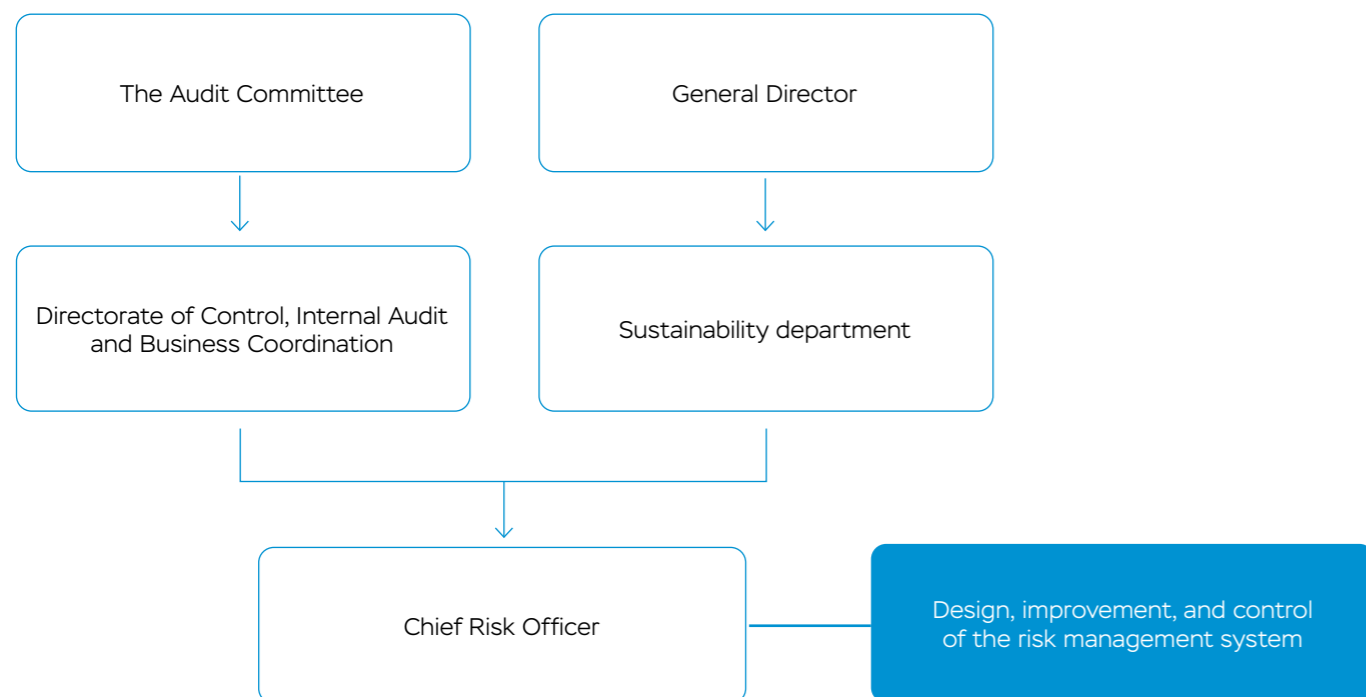
Efficient risk management and internal control system ensures appropriate control over the Company's financial and business activities. The Company identifies and assesses risks that have a direct impact on KPIs and strategic goals as well as assesses the measures necessary to implement for mitigating the risks. The most significant expenses on risk mitigating measures are taken into ac-

count when preparing both the budget of individual divisions and the consolidated budget of the Company.

Risk management and internal control are integrated into the management decision-making process, as part of their activity business process owners regularly identify and assess risks in order to determine and implement the optimal set of control measures to reduce existing risks and ensure the achievement of business goals.

The risk management and internal control framework is the responsibility of the Company's management and employees. In 2021, RUSAL announced a new position of the Chief Risk Officer. The Audit Committee of the Board of Directors and the Directorate of Control, Internal Audit and Business Coordination are in charge of ensuring the system's functionality and the effectiveness of risk control and mitigation measures. Risk reports are provided to the Audit Committee on a quarterly basis.

### Sustainability risk management



Please see the Annual Report, p. 69-71, 141-142, for a thorough description of the roles and responsibilities within the key areas in this system, as well as the methods for coordination among them.

GRI 102-15 For effective management of sustainable development, regular supervision of environmental, social, and governance risks is required. Sustainability risks are managed within the framework of the corporate risk management system. Regular work is being performed to identify, assess and monitor risks both at the level of the Management Company and at the level of business units.

### Sustainability risks 2021

Risks	Description	Risk management actions	Report
<b>Environmental GRI 201-2</b>			
<b>Climate risks</b>	<ul style="list-style-type: none"> <li>Climate change-related risks that cause serious damage to assets and infrastructure, resulting in their long-term unavailability.</li> </ul>	<ul style="list-style-type: none"> <li>For more information about climate risks, please see the "Climate change and energy" chapter, p. 54</li> </ul>	<b>p. 54</b>
<b>Environmental risks</b>	<ul style="list-style-type: none"> <li>Risks linked to environmental damage and events, including air emissions (including greenhouse gases), water, and waste.</li> <li>Damage to the Company's environmental systems and equipment poses a risk.</li> <li>Risks associated with insufficient environmental assessments and the failure to get relevant licenses.</li> </ul>	<ul style="list-style-type: none"> <li>Certification of most RUSAL operations under ISO 14001.</li> <li>To mitigate the risks, the Company considers environmental regulations and engages in a variety of environmental protection actions (e. g., monitoring bauxite residue disposal areas).</li> </ul>	<b>p. 30</b>



Social			
<b>Human capital</b>	– Labour law violations, fraud, and unlawful enrichment – all pose risks	– Staff, management, and trade unions meet on a regular basis to discuss these concerns.  – Employees are being informed on the principles outlined in the Corporate Code of Ethics, the Business Partner Code, and the Anti-Corruption Compliance Policy.  – Whistleblower hotline operation.	<b>p. 74</b>
<b>Health and Safety</b>	– Labour law violations, fraud, and unlawful enrichment – all pose risks	– The Company has established a system to manage health, industrial safety, and fire safety (including analysing risks in these areas); it provides staff trainings, implements programmes and activities to maintain safe working conditions and conducts management audits to prevent accidents.	<b>p. 92</b>
<b>Local communities</b>	– Employee health and safety risks	– Providing financial support for social, infrastructural, educational and cultural initiatives.  – Whistleblower hotline operation.	<b>p. 102</b>
Governance			
<b>Business continuity</b>	Related to the business environment that affects the Company's financial outcomes, such as political, legal, and other risks.	The Internal Control System is implemented to promote ethical values, good corporate governance and ensure regulatory compliance.	<b>p. 132</b>
<b>Compliance</b>	Possible violations of laws and regulations, as well as the principles outlined in the Company's Compliance Programmes, may result in court or administrative penalties, economic or financial losses, and reputational damage.	 Please see the "Ethics and integrity" chapter, <b>p. 132</b>	<b>p. 132</b>

## 4.3. Enhanced corporate governance for sustainable development

GRI 103-1, GRI 103-2, GRI 103-3, GRI 102-19, GRI 102-26, GRI 102-27, GRI 102-29, GRI 102-31, GRI 102-32, HKEX Para 10, HKEX Para 13, ASI PS 2.2

For many years, RUSAL has considered achieving sustainable goals to be an integral part of its corporate strategy. The Company's sustainability management system has evolved in line with the best international standards and practices.

At the highest level, sustainability governance is coordinated by the Board of Directors and the General Director. The Board of Directors oversees strategic planning for sustainable development issues, such as health, industrial and fire safety, environmental protection, climate regulation, circular economy, and business ethics, as well as approves the Company's Sustainability Reports. The Board of Directors is assisted by the Health, Safety and Environmental Committee in assessing and identifying ESG risks and ensuring proper functioning of management systems. Moreover, the Board relies on the Audit Committee to independently assess performance, ensure internal control systems and manage ESG risks.

### Consolidation of management

**GRI 102-20** The Sustainability Directorate was established in 2021 to consolidate sustainability governance; it combines units of key ESG business transformation areas, the Environmental and Climate Regulation Department, the Occupational Health, Industrial and Fire Safety Department, and the Department for Sustainable Business Development that coordinates issues of social policy, non-financial reporting, international certification and the project office. The primary purpose of the consolidation is to streamline project management for sustainabi-

lity issues, implementation of corporate social policy, and interaction with customers and investors on ESG issues. Board meetings are held throughout a year to examine sustainability performance. In 2021, ESG aspects were considered at 10 meetings of the Board of Directors, including six meetings dealing with occupational health and safety, two meetings each dealing with the sustainable development governance system and reviewing the Company's progress in sustainable development.

#### GRI 102-19

Drafting and implementing sustainability measures and action plans are the responsibility of the General Director and the management divisions of the Company. The General Director ensures that sustainability responsibilities are duly allocated among the relevant functions.

The Directorate will coordinate implementation of RUSAL's new 2030 Sustainable Development Strategy and measures to make the Company carbon neutral by 2050. The Directorate is a single centre of expertise analysing the ESG data across the entire perimeter of the Company using an automated system. In addition to that, the Directorate coordinates the activities of the working group on improving sustainability practices and disclosures.

## Standards and principles

When setting corporate sustainability goals and implementing change management in line with its 2030 Sustainability Strategy, RUSAL relies on the best practices based on global and Russian standards and guidelines, including:

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



### Key documents

RUSAL's approach to achieving corporate sustainability goals is outlined in its corporate codes and policies. The main internal documents governing sustainable development issues in the Company are available on corporate site: [Approach and policies](#).

## Organisational structure of sustainable development governance

### Corporate level



- The Board's committees responsible for sustainable development:**
- Audit Committee
  - Health, Safety and Environmental Committee
  - Compliance Committee
  - Corporate Governance and Nomination Committee
  - Remuneration Committee

### Interaction with the Company's management divisions on the ESG agenda



### Operational level



## 4.4. Ethics and integrity



### Promoting ethical business conduct

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

RUSAL values its business reputation and strives to spread high standards of business conduct both among its employees and business partners. The priority for us is compliance with the legislation of the Russian Federation and other countries where the Company operates.

Employees	Business partners
<p>The Company's expectations regarding ethical behaviour in RUSAL's policies and regulations, mandatory for all the Company's employees.</p> <p>RUSAL's corporate culture translates the priority of compliance with legislation and moral and ethical values and norms.</p>	<p>Strict requirements are set by RUSAL for counterparties.</p> <p>The Company strives to build a long-term partnership with reliable counterparties who share corporate values and business standards.</p>

The Code of Corporate Ethics and its underlying policies reflect RUSAL's values and serve as a guideline for employees and business partners. When forming all regulatory documents, RUSAL is guided by principles, approaches and standards that are recognised by the international community and comply with applicable current legislation. All the Company's policies are published on the corporate website and are available for review by all interested parties.

 A full list of internal documents is available on the corporate website ([Approach and policies \(rusal.ru\)](https://www.rusal.ru)).

Ensuring compliance with internal regulatory documents falls within the competence of the Compliance Directorate, the Directorate for Control, Internal Audit and Business Coordination, the Security Directorate. In accordance with Compliance Policy and Regulations for the Functioning of the Compliance system, direct interaction between employees is carried out by the Corporate Ethics Commissioners, who provide consultations on occupational safety, compliance with labour legislation, problems of internal interaction, etc.

The Company regularly assesses effectiveness of its approach to ethics management by monitoring compliance with internal regulatory documents, as well as KPI implementation.

#### Internal document updates

The Code and related policies are regularly reviewed and updated in accordance with changes in legislation or the Company's internal processes.

In 2021, Anti-Corruption Policy, Compliance Policy, Charity and Sponsorship Policy which in turn confirm RUSAL's continued commitment to the principles of responsible business conduct were formed and approved by the Company's management.

#### Material topics

ETHICS AND HUMAN RIGHTS

COMPLIANCE AND ANTI-CORRUPTION

#### 2021 highlights

100%

OF DIRECTORS AND EMPLOYEES COVERED BY ANTI-CORRUPTION TRAINING

100%

OF COUNTERPARTIES COVERED BY THE CORRUPTION RISK MANAGEMENT SYSTEM

## Anti-corruption

GRI 102-16, GRI 103-1, GRI 103-2, GRI 103-3, GRI 205-3, ASI PS 1.2, SASB EM-MM-510A.1, HKEX Aspect B 7

RUSAL follows the principle of zero-tolerance towards any forms of corruption and fraud and strives to maintain a high level of transparency of decisions made for all interested parties. The Company implements a wide range of measures to monitor and minimise corruption risks.

The Company's anti-corruption system is carried out by the Compliance Directorate in accordance with the corporate regulatory documents in this area.

In 2021, a new Anti-Corruption Policy was updated with the following information: the principles of anti-corruption and bribery, answers to frequently asked questions, and the Company's control procedures for managing and preventing corruption risks.

Regular corruption risks assessment for all divisions of the Company is conducted by the Compliance Directorate integrated to the risk management system. The risk assessment system involves consideration of the causes of risk and the severity of the consequences and the probability of their occurrence. As part of the system operation corrective measures, control procedures are developed and monitored. These risks are reflected in RUSAL's risk matrix.

RUSAL expects employees and business partners to strictly comply with anti-corruption legislation.

### Elements of the anti-corruption system

- internal regulatory documents
- risk assessment system
- control procedures
- communication
- training
- hotline
- monitoring and reporting

### Internal documents


- Code of Corporate Ethics
- Business Partner Code
- Compliance Policy
- Anti-Corruption Policy
- Gifts and signs of business hospitality Policy
- Charity and Sponsorship Policy

## Anti-corruption approach

### Employees

RUSAL considers the importance of communication and awareness on compliance with anti-corruption legislation and internal regulatory documents. Communications are conducted at all levels of the Company:

- Informing employees by interacting with the Company's management (tone from above)
- Raising awareness of employees by the Compliance Directorate using the following tools:
  1. compliance portal, which contains internal regulatory documents, training presentations, questionnaire templates for counterparties, anti-corruption agreements and reservations, as well as feedback forms, explanations, frequently asked questions, news and announcements of measures in the field of prevention and combating corruption;
  2. contests and events aimed at identifying and suppressing unethical business conduct;
  3. distribution of printed materials (thematic calendars).
- Advising and monitoring the implementation of anti-corruption requirements by employees on the part of Local Compliance Officers.

 For more information about RUSAL's Compliance System, please see **the «Compliance system section»**.

RUSAL conducts anti-corruption training for directors, employees, and Local Compliance Officers. The training is conducted both in offline and online formats<sup>53</sup>.

#### Trainings include consideration of:

- applicable regulatory legal acts (Russian Federation, foreign and international legislation, as well as local regulatory documents);
- factors and signs of illegal actions that allows employees to recognise signs of corruption and fraud;
- responsibility for committing illegal actions;
- measures aimed at minimizing corruption risks.

At the end of the training, tests for the assimilation of the material are periodically conducted.

**100%** of all directors, employees, and Local Compliance Officers enrolled in the anti-corruption trainings organised by the Compliance Directorate in 2021.

<sup>53</sup> Online training is conducted via a distance learning system.

### Business partners

RUSAL provides counterparties with familiarization with corporate requirements in the field of anti-corruption in the framework of procurement procedures, as well as posting basic information in this area on the Compliance portal.

The Company has developed, automated, and implemented procedures and mechanisms for internal control of corruption risks. Procedures include:

- Compliance accreditation of counterparties is the process of checking all the Company's counterparties based on the KYC questionnaire and information from public sources, as well as databases and internal corporate resources. When risks are identified, the counterparty receives a restricted status and all transactions or payments with these counterparties fall under the control of and analysis by the Compliance Directorate.

- Risk control of transactions based on the automated document management system and criteria for controlling corruption risks have been implemented, after which an additional comprehensive assessment of the transaction is carried out.
- As a guarantee that contractors meet corporate standards, an anti-corruption clause is included in contracts where corruption risk is most possible.

The corruption risk management system covers **100%** of the counterparties with which the Company interacts.

The SignAL Hotline provides monitoring of possible violations, including corruption and conflicts of interest on a confidential basis from both employees and third parties.

For more information about the operation of the Hotline in 2021, please see the section «SignAL Hotline».

The Company regularly reports on the operation of the compliance system, including compliance with anti-corruption legislation. Local Compliance Officers report monthly to the Compliance Directorate, whereas the Compliance Directorate submits a report to the Board of Directors quarterly. In addition, the Company annually conducts an external audit procedure in this area.

By the end of 2021, the Company recorded one confirmed case of possible corruption. In this regard, in accordance with the Company's internal instructions and regulatory requirements, an internal investigation was conducted and necessary disciplinary measures were taken.

During the reporting period, no lawsuits were filed or considered against the Company and its employees in connection with corruptive actions.

## Compliance system

GRI 102-25, ASI PS 1.1

The Company pays special attention to compliance with the applicable laws and standards, and other requirements in effect, and to prevention of their violation. RUSAL has formed a multi-level compliance management system:

### Compliance system structure

Responsibility	Description
Compliance Committee under the Board of Directors	<ul style="list-style-type: none"> <li>– compliance with the requirements of applicable legislation and the Company's obligations;</li> <li>– elaboration of guidelines, coordination of policies and procedures for conformity with legal and regulatory compliance requirements;</li> <li>– review of reports on compliance activities;</li> <li>– submission of conclusions and proposals on compliance issues to the Board of Directors.</li> </ul>
Compliance Committee under the Executive Committee	<ul style="list-style-type: none"> <li>– coordination of work in the field of compliance risks of the Company;</li> <li>– improvement of control over the Company's compliance risks and their security;</li> <li>– development of the Company's stance on significant compliance-related issues.</li> </ul>
Compliance Directorate	<ul style="list-style-type: none"> <li>– drafting and approval of internal regulatory documents;</li> <li>– implementation of procedures for verifying the reliability of suppliers (KYC);</li> <li>– monitoring of compliance with the sanctions and anti-corruption legislation;</li> <li>– development of information and communication systems;</li> <li>– compliance risks assessment;</li> <li>– monitoring the Company's transactions.</li> </ul>
Local Compliance Officers	<ul style="list-style-type: none"> <li>– control of compliance risks in the daily activities of employees;</li> <li>– development of compliance culture and its implementation at all Company's levels.</li> </ul>

The Company regularly conducts training sessions for the compliance system employees. In 2021, seven events were organised with a coverage of 75 Local Compliance Officers (LCOs) and employees. During the training, the

following issues were considered: compliance risks, control procedures, rules for monitoring of the compliance system operation, anti-corruption and sanctions control, reporting, and information storage.

**RUSAL verifies employees and contractors for reliability and conflict of interests:**

- In 2021, 3,755 employees received training in “Declaring a conflict of interest for the Company’s employees”, and declarations on the issues listed below were obtained through the portal for declaring conflicts of interest.
- Newly recruited employees’ attention are drawn to the Company’s internal documents that establish basic rules of conduct in relation to conflicts of interest, handling insider information, and anti-corruption. To increase employee awareness, in-company publications including, inter alia, materials on compliance.
- To prevent conflicts of interest, the Company uses a multi-level automated control system for prospective transactions.

RUSAL strictly complies with the antimonopoly legislations. In 2021, no lawsuits were filed against the Company in connection with counteracting competition in the market.

**RUSAL employees may apply for consultation at any time through a single compliance mail window [compliance@rusal.com](mailto:compliance@rusal.com), or to the following authorised parties:**

- ethics-related issues – Local Compliance Officers and authorised ethics supervisors at enterprises;
- conflict of interests – line manager and Directorate for Protection of Resources;
- commercial secret –Department for Protection of Resources;
- insider information – supervisor from the insider’s side.


## SignAL Hotline

GRI 102-17, HKEX KPI B7.2

RUSAL provides continuous monitoring of compliance with corporate standards in the field of business ethics, anti-corruption, and observance of human rights.

The Company’s SignAL hotline based on the principles of confidentiality and anonymity operates 24 hours a day, seven days a week. It is designated for identifying and preventing cases of fraudulent and professional misconduct on the part of the Company’s employees and counterparties.

A report to the confidential hotline may be sent by e-mail ([signal@rusal.com](mailto:signal@rusal.com)), arranged via a telephone call by dialling +7 800 234 5640 in Russia (toll-free) or +7 495 221 3372 for calls from other countries, or texted in WhatsApp, Telegram and Viber messengers via +7 915 224 5640.

 For more information about the SignAL hotline operation, please see **the corporate website (Contacts (rusal.ru))**.

Information received through the SignAL service is allocated by topics and registered in the digital database. Based on the principles of objectivity and impartiality, a business unit responsible for an inspection is to be determined and appointed. If necessary, such inspection is to be carried out through involvement of several divisions. Subsequently, inspection results are documented so to initiate and carry out appropriate response measures.

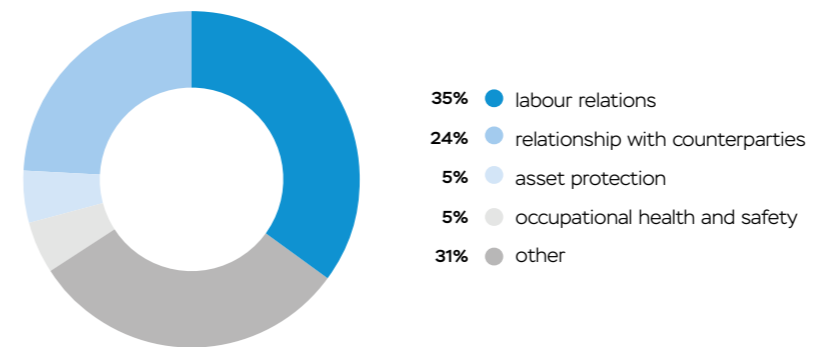
The volume of statistics accumulated in the internal database of the SignAL hotline allows for more targeted identification and detailed analysis of systemic and complex problems that are characteristic of each enterprise.

In 2021, the hotline received 612 reports.



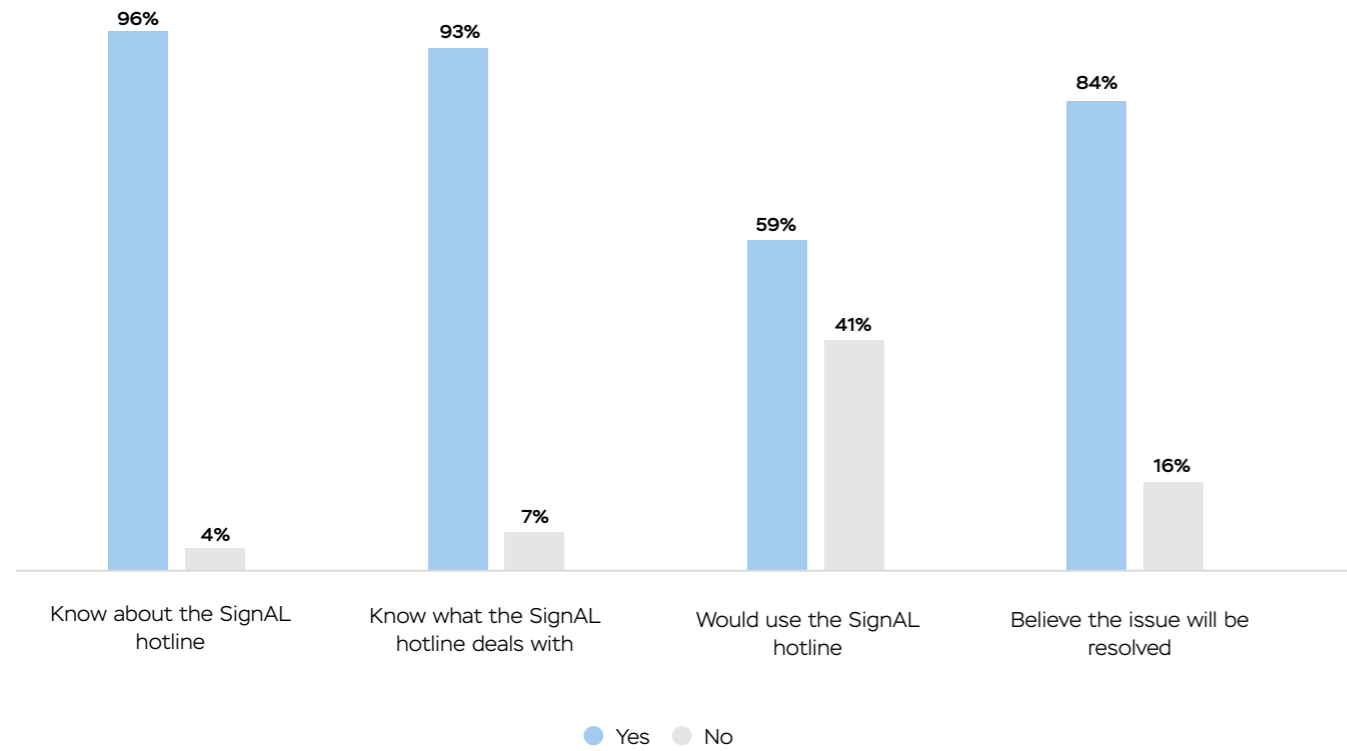
At RUSAL, our SIGNAL hotline provides employees, as well as business partners and others with a means to report potential violations of the Company’s Code of Ethics, our policies or applicable law.

### Categories of reports to the hotline



All reports received have been addressed by conducting internal inspections. The applications that did reveal violations have been addressed by initiating disciplinary measures, conducting proactive discourse and taking appropriate risk minimisation measures.

The number of requests for the period from January to December 2021 increased by 45% vs the same period in 2020 (45%) and in 2019 (58%) due to consistent work on the development and promotion of the SignAL hotline.



**The number of requests increased due to the intensive work on the SignAL hotline development and promotion among the employees:**

- the number of Company enterprises where the SignAL hotline available was expanded;
- relevant promotional materials (notebooks, pens, thematic calendars for 2021) with the contact information of the SignAL hotline were distributed among the Company's employees;
- information materials (posters) regarding the SignAL hotline displayed at enterprises were updated;
- information on the SignAL hotline operation was published in the corporate mass media (the "Bulletin of RUSAL" newspaper and RUSAL TV).

**Key achievements in 2021:**

- improvement of morale and employees' social and living conditions;
- prevention of commercial bribery and theft of goods and materials;
- identification and settlement of cases of conflict of interests and violation of the purchasing and sales process of works, goods and services.

## 4.5. Information Security

### Information security system

RUSAL pays considerable attention to the development of cybersecurity as data protection is one of the main priorities in corporate governance. The information security management system is part of the overall management system and is based on a risk-oriented approach.

The major risks in this area are:

- Damage;
- Enterprise or stand-alone technological malfunction caused by a cyber-attack in the industrial segment.

The Company's information security system is aimed at reducing these risks to an acceptable level and ensuring the protection of critical properties of the information under protection.

General organisation, coordination, and control over compliance with the information security requirements is assigned to the Directorate for Protection of Resources. In February 2021, the Information Security Department was established within the Directorate for Protection of Resources operating in Krasnoyarsk – to perform the coordination and control functions of the information security processes.

An external audit of the Company's IT infrastructure is carried out once or twice a year with involvement of specialised contractors and external security analysis services. The information security management system audit was last conducted in October 2021.

**Internal documents in the field of information security (in accordance with the ISO/IEC 27001 standard):**

- Information security management system policy;
- Methodology for evaluating the effectiveness of the information security management system;
- The procedure for corrective and preventive actions in the information security management system;
- Register of protected assets in the scope of the information security management system;
- Regulation on the applicability of management tools of the ISO 27001 2005 standard;
- Management procedure of records of the Information Security Management System;
- Methodology for assessing information security risks;
- Information Security policy;
- RUSAL Information Security Concept;
- Instructions for the use of electronic computing equipment, office equipment and information resources;
- The procedure for conducting an information security audit;
- Antivirus Protection Policy;
- The procedure for handling information security incidents;
- Regulations on the protection of facilities of the united Company RUSAL;
- Regulation on the trade secret regime;
- Instructions on the procedure for handling documents containing confidential information;
- The procedure of implementing password protection in the corporate information system;
- Policy regarding the processing of personal data and information about the implemented requirements for the protection of personal data;
- Rules of interaction of structural units to ensure the protection of information.

## Events held in 2021

In 2021, the following organisational and technical measures in the information security segment were implemented:

- Enhancement of the awareness-raising process in terms of information security issues among the Company's employees;
- Modernisation of security tools, including the information leakage control system, the email security system, the information security incident monitoring system, and the intrusion detection/prevention system, implementation of a two-factor authentication system based on one-time passwords;

- Categorisation of critical information in the infrastructure of the Company's enterprises;
- Building a relationship with the National Coordination Centre for Computer Incidents (NCCC) and informing the NCCC about cyber incidents;
- Creation of organisational and administrative documentation on the security of infrastructure facilities to protect critical information;
- Conducting internal security audits of the critical information infrastructure facilities of the Company's enterprises.

## Training

It is important for the Company that in the event of suspicion related to violation of information security, the employees can report it to the authorised divisions. The notification and response procedure for such cases is stipulated in the Instruction on information security incident occurrences and reporting.

### Information Security trainings and coaching

- Introductory training;
- Regular (at least once a year) training and testing of the knowledge of employees;
- Regular (at least twice a year) skill checks;
- Regular (at least once a month) notification of employees about current IS threats and recommendations for countering them.

## Continuous operation

In order to ensure business continuity and the stability of the functioning of the infrastructure in the face of cyber-attacks, the Company is protected by the continuous operation measures in accordance with the BCP/DRP procedures elaborated and approved for securing the critical information systems, such as:

- Rules for the internal web-applications' function and efficiency restoration;

- Disaster recovery (DR) plan for the mail system;
- Disaster recovery (DR) plan for a SharePoint Server-based farm;
- Active Directory forest recovery;
- Recovery of Active Directory objects deleted due to an error.

## 4.6. Sustainable supply chain of raw materials, goods and services



### Material topics

SUSTAINABLE SUPPLY CHAIN AND LOCAL SUPPLIER ENGAGEMENT

### 2021 highlights

**32%**

OF LOCAL SUPPLIER PURCHASES

RUSAL'S MASTER STATUS AS A SUPPLIER RECEIVED FROM

**89%**

OF CLIENTS



## Targets and strategic priorities

### For the suppliers

- Increase in 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 organise production of calcined coke and new alternative raw materials (compound pitch);
- Introduction of alternative methods of raw materials delivery (transportation of sand in tank containers);

- Competence development for new markets (carbon quotas);
- Cost reduction, business plan observance and achievement of quality goals.

### For the consumers

- Achieving/maintaining the master-supplier status with the consumer;
- Achieving an increase in the supply volume for a consumer in question;
- Expanding the line/range of supplied products;
- Expanding the geographical scope of supply to other enterprises of the consumer;
- Signing a partnership agreement.

## Who's in charge?

### Persons/divisions in charge:

- Business Support Directorate;
- Sales Directorate;
- Procurement departments of the Alumina and Downstream Divisions;

- Quality Management Directorate;
- Compliance Directorate.

## Company's bylaws

- Code of Corporate Ethics;
- Business Partner Code;
- Procurement Regulation;
- Complaint Management Regulations;
- Regulation for categorical procurement management;
- Regulation on qualification of manufacturers of raw materials and supplies for quality;
- Regulation for conducting audits of manufacturing plants of raw materials and supplies;
- Regulation on compliance accreditation of counterparties;
- Methodology for the rating assessment of suppliers of raw materials and supplies;

- Guideline for the development of QMS suppliers;
- DRC Declaration on conflict-free minerals in production;
- Personal Data Processing and Protection Policy and information on the requirements implemented for such protection;
- RUSAL Information Security Concept;
- Information Security Policy;
- Non-disclosure Regulation;
- Instruction on practices for confidential documents handling and management;
- Anti-Corruption and Anti-Bribery Policy;
- Quality agreement with suppliers of raw materials, supplies and services.

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

RUSAL's timely fulfilment of commitments to supplying quality aluminium products to our customers depends on the coordinated work of suppliers of energy resources, raw materials, fixed assets, and the reliability of contractors involved in the operations of the Company's divisions.

The Company carries out the entire aluminium production cycle, and the overall result depends on the sus-

tainability of each supply link and mutual commitment to long-term partnerships. These efforts are based on promoting ESG principles, continuous improvement of processes based on feedback, achieving transparency and openness in tendering and procurement procedures.

A sustainable supply chain provides certainty and benefits to all stakeholders and is an ultimately important element in reaching Net Zero by 2050.

## Supply chain structure

### GRI 102-9

The Company's major suppliers are key business players and entities with a dominant market position. Most of them disclose information on sustainable development or implement environmental initiatives on a regular basis. RUSAL appreciates and follows the contribution of its partners to mitigating impact on the climate.

RUSAL is one of the world's largest aluminium producers supplying products to companies operating in the engineering, metal, mining, chemical, consumer goods,

food and beverages, construction, and power generation industries and segments, and a range of other sectors, which promotes widespread production and economic growth. The Company interacts with intermediary organisations, including trading companies and commodity exchanges.

**GRI 102-10** In 2021, there were no significant changes in the location of operations and suppliers, and in the supply chains' organisation and structure.

## Supplier management system

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

**RUSAL approaches the selection of suppliers based on the principles of integrity and responsible and sustainable business development, including:**

- openness and disclosure of information in accordance with international standards;
- observance of antimonopoly and anti-corruption requirements;
- accessibility and convenience of procurement and tendering procedures;
- product quality management through the entire value chain;
- cost-efficient management of resources and reserves.

RUSAL's sustainable supply chain activities are guided by the Business Partner Code and a set of other regulatory acts. The Business Partner Code reflects the principles and requirements applied to all contractors and suppliers in relation to ethics, quality, ecology, labour protection, human rights and other ESG issues.

RUSAL's principles and requirements of responsible supply chain management are implemented for all suppliers regardless of their jurisdiction. All counterparties undergo an accreditation and comprehensive qualification procedure at the selection stage in the interests of mutual confidence in the quality, reliability and safety of raw materials and supplies. The Company conducts audits of suppliers to confirm compliance of their quality management system with international standards, and to assess process capability and safety. RUSAL assists its suppliers

in developing quality management systems by promoting the tools, principles and criteria required for the implementation of development programmes. In 2021, we introduced the Supplier Management Quality Strategy which aims to build long-term relationships with suppliers and includes partnership programmes, supply chain risk and variation mitigation and ensuring “embedded quality” in procurement.

EM-MM-210a.1

To help our clients meet the Dodd–Frank Wall Street Reform and Consumer Protection Act obligations, we affirm that, in accordance with the Declaration of DRC Conflict Minerals Free manufacturer, none of the Conflict Minerals from the Democratic Republic of the Congo or neighbouring countries (Angola, Republic of Congo, Burundi, Central African Republic, Rwanda, South Sudan, Tanzania, Uganda or Zambia) is 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 conflict and high-risk areas. For these purposes, the Company has developed and operates internal regulatory documents. [ASI PS 9.8](#)

The Company develops ESG risk management tools in its activities with the suppliers. The suppliers interested in the mutual recognition of sustainability standards can review the Business Partner Code on RUSAL's official website and join its commitments in writing. The current number of suppliers who have joined the Business Partner Code in 2021 (out of suppliers of raw materials

## Procurement of raw materials and supplies to produce core products

HKEX KPI B5

The specifics of RUSAL's aluminium production processes imply that the 80% of end product quality depends on the suppliers. Therefore, alignment of quality manage-

and supplies to produce core products purchased by the Business Support Directorate, with whom RUSAL worked in 2021), amounted to 70%.

GRI 407-1, GRI 408-1, GRI 409-1, HKEX KPI B6.3

For RUSAL, strict compliance with human rights, including labour, economic and social legislation is the foundation of interaction both with the Company's personnel and contractors. The Company does not tolerate any human rights violations by any of its business partners, suppliers or contractors. To ensure such compliance, the Company improves control mechanisms and carries out regular audits of supply chain participants. Child labour and forced labour are completely prohibited. No violation of these human rights within the Company's supply chain has been detected since the introduction of the Business Partner Code in 2015 (the current version was updated in 2019). RUSAL excludes transactions and suppliers that may threaten the right to freedom of association and collective bargaining.

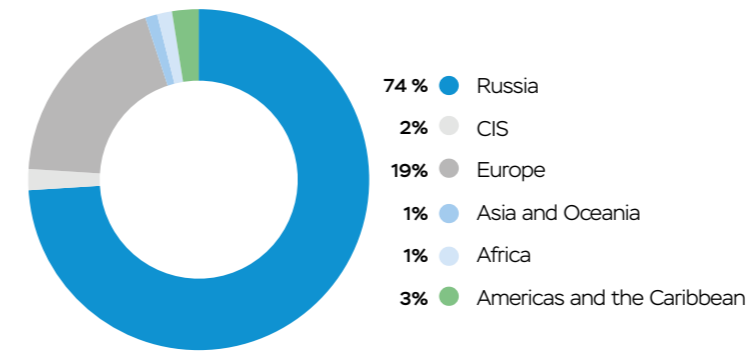
The Company complies with intellectual property laws. Responsibility for protecting confidential and proprietary information of the Company and third parties (as well as customers, suppliers, and other business partners) is set out in the Code of Corporate Ethics.

Mandatory requirements for ethical business conduct and procedures for monitoring suppliers' compliance with these requirements are governed by the Code of Corporate Ethics and internal audits.

ment systems between suppliers and the Company is critical to achieve timely deliveries and high-quality raw materials and supplies for the Company's operating activities.

## Geographical scope of RUSAL's suppliers in 2021

HKEX KPI B5.1



In 2021, over 15,000 companies supplied goods and services to RUSAL. The share of purchases from local suppliers amounted to 32% (USD 2,708 million).

HKEX KPI B5.1, GRI 204-1

The Company is interested in the economic development of the regions where it operates, and gives priority to local suppliers in accordance with internal requirements. When procuring raw materials and supplies, preference

is given to suppliers from Russia and the CIS, many of whom have long-established relationships with the Company. In the absence of supply in the Russian and CIS markets, additional volumes are purchased abroad.

To enhance supplier confidence, the Company carries out the full cycle of engagement - from contacting new and prospective organisations to evaluating the outcome of engagement with long-standing partners.



RUSAL CASE STUDY

Green logistics

Low-carbon logistics is one of the keys to achieving carbon neutrality: 3% of all greenhouse gas emissions from primary aluminium production come from transportation. Sustainable logistics also contributes to reducing the carbon intensity of any production related to the delivery of raw materials, equipment, or final products. In 2021, RUSAL entered into a strategic cooperation agreement for low-carbon development in logistics with one of the largest container operators, PJSC Transcontainer, under which the companies commit to developing and implementing new low-carbon technologies, including green aluminium.

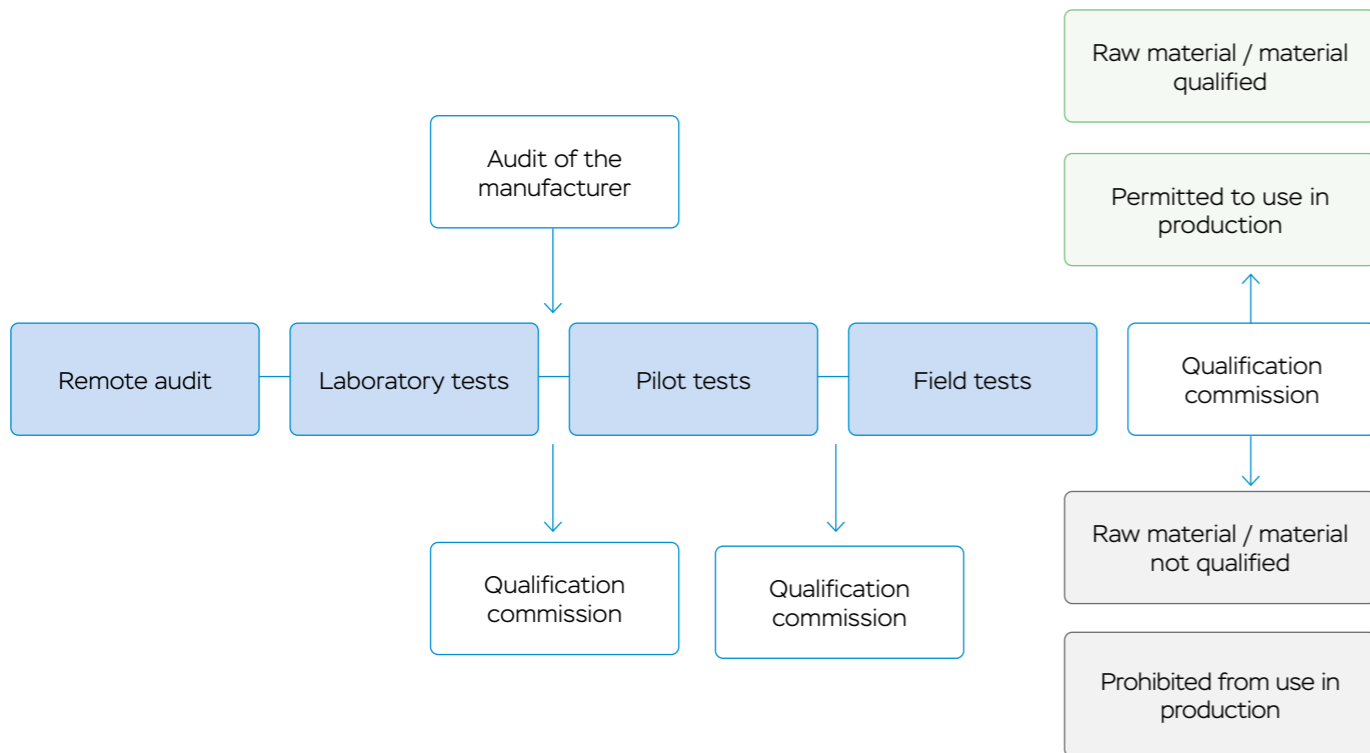
## Supplier audit and qualification

GRI 308-1, GRI 308-2, HKEX KPI B5.2, KPI B5.3, KPI B5.4, ASI PS 2.4

To address quality and technology risks in the supply chain, the Company qualifies its suppliers according to the requirements of IATF 16949, applying 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 extends the requirements of its sustainability management system to its suppliers through audits. The audits not only ensure the reliability of the supply chain and the high quality of the finished products, but also bond the partners with common goals and enable them to optimise processes and transform their businesses to create new opportunities. The mutually beneficial nature of audits ensures active engagement in sustainability practices and an increase in the number of suppliers joining the Business Partner Code.

The Company conducts audits of potential, new and existing suppliers. The supplier's questionnaire, which contains questions on environmental protection, occupational health and safety, and the availability of certified environmental management systems (ISO 14001)

and industrial safety and health systems (OHSAS18001 / ISO45001), is included in the pre-qualification procedure for procurement procedures. 56 of the Company's suppliers have a certified environmental management system (56 suppliers have a valid ISO14001 certificate).

**GRI 414-1** In 2021, 19% of new suppliers were screened using social criteria. The existing suppliers are rated annually based on their performance in five areas of activity and 15 criteria. In 2021, 199 suppliers were assessed. Based on the results of the rating assessments, category A (reliable) was assigned to 73% of suppliers and category B (conditionally reliable) to 27% of suppliers.

In 2021, no significant cases of environmental damage or potential damage by the Company's suppliers were identified (0%).

Interaction with suppliers is particularly focused on maintaining a quality and preventative health and safety management system and the achievement of best safety performance (low rates of injuries and occupational diseases). The presence of these risks is a critical factor influencing the initiation and further success of cooperation. Our own health and safety compliance requirements are communicated to suppliers by setting out standards in service contracts. The Company assesses contractors against the following key criteria: qualification level, the provision of personal protective equipment (PPE), and competences vis-à-vis the safe conduct of work. The Company investigates all incidents and, in case of contractors' breach of contract terms, applies sanctions up to and including termination of the contract. The health and safety, as well as industrial and fire safety disclosure requirements implemented at RUSAL also apply to contractors.

**GRI 414-2** For our contractors and suppliers, working with the Company means meeting our business and sustainability requirements. RUSAL does not engage with contractors and suppliers who do not pass compliance checks. The Company assists in correcting suppliers' management practices if they do not comply with RUSAL's requirements. During the pre-qualification stage, special attention is paid to

suppliers' compliance with human rights and anti-corruption practices.

**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 examination;
- Monitoring working conditions;
- Special audits of working conditions;
- Repair and construction work (as part of monitoring Health, Safety and Environment (HSE) compliance);
- Transport;
- Elaborating internal HSE regulatory documents;
- Examining industrial safety;
- Providing PPE and work clothes along with cleaning and tailoring repairs.



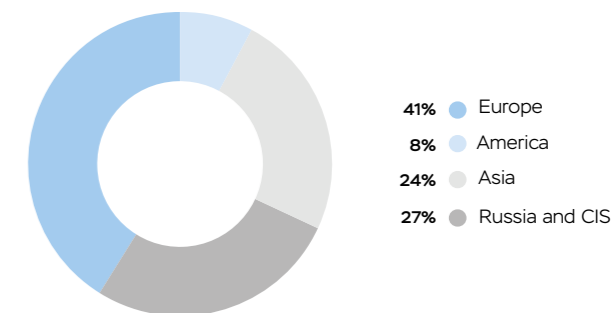
## Key results in 2021

Goal	Status	Results
Automation of supplier rating assessment and supplier claims process.	In progress	The rating score is integrated into the PayDox electronic document management system and is automatically uploaded when a contractor is selected during the screening and contracting process.  Creation of a separate module for quality rating of contractors and the increased use of the assessment for planning supplier audits and control schemes is planned for the next phases in 2022-2023.
Extending of the APQP process to enhance the qualification process towards other divisions of the Company.	In progress	The qualification process is extended to the Aluminium Division.
Increase in supply of eco-friendly pitches.	In progress	The second phase of the introduction of eco-friendly pitches in the production of the main anode mass is underway. 446 KrAZ electrolyzers were converted to use this technology. By 2024, it is expected to reduce benzopyrene emissions at KrAZ production facilities by at least 60% due to the use of safer raw materials.
Execution of pilot tests of tank containers for the transportation of pitches.	In progress	Certification tests are underway for the hopper car in the line of freight cars based on aluminium-scandium alloy 1581 (tank-container, tank-car), which significantly reduces the weight of trains, with a positive impact on fuel consumption and carbon footprint.
Implementation of Corporate Principles for Responsible Supply Chain Management.	In progress	Updates to the Supply Chain Sustainability Framework: Supplier Quality Management System Development Manual (expanding the scope to include ancillary materials), Transaction Conclusion, Execution, Recording and Retention Manual (to include requirements for the implementation of the Product Safety and Compliance Management (PSCR) methodology in standard Supplier Agreements).
Automation of the business planning and procurement processes and increasing their transparency.	In progress	In 2020, the Downstream Division's own electronic trading platform was successfully launched. In 2021, Valkom-PM (from January 2021), SUAL-PM (from March 2021), and KrAMZ (from April 2021) also started tendering procedures.  In 2021, the number of successfully completed open tender procedures increased from 72 to 1,221. The number of registered active suppliers increased from 379 to 2,268.

## Interaction with consumers

RUSAL supplies products within the Russian Federation and worldwide, with the CIS countries, Europe, America, and South-East Asia being the main customers beyond the domestic market. The diversified customer portfolio was successfully adjusted in the light of the COVID-19 pandemic, with the share of Asian markets growing while European sales remained dominant.

## RUSAL sales geography in 2021 GRI 102-6



## Focus on the customer

GRI 103-2, GRI 416-1, GRI 416-2, HKEX KPI B6.1, B6.2

The client-oriented approach encourages us to create new products and services, develop and modernise production, and achieve sustainability goals. The Company utilises various tools to maintain mutually beneficial relationship with customers and to improve business processes.

The Company has self-diagnostic procedures in place for its own supplier ratings. The up-to-date rating register collects data on interactions with key customers. It is based on a system of KPIs, which allows us to regularly obtain objective customer feedback on the quality of delivered products and services. The register makes it possible to take prompt corrective actions to improve customer satisfaction.

RUSAL's Aluminium Division has a comprehensive programme to improve the quality of end products aimed at improving the stability of the chemical composition of cast alloys and the mechanical and electrical properties of wire rods through the introduction of an SPC (Statistical Process Control) culture at the plants. In the reporting period, key areas of product improvement were identified based on analysis of claims work, customer feedback, market requirements and standards for product quality, as well as existing improvement programmes. High efficiency of product quality planning will enable the Company to not only improve its competitiveness, but also become one of the top three global industry leaders in terms of customer satisfaction by 2025. In 2021, the number of

complaints regarding the Company's aluminium products decreased by 5% to 143, for each of which the causes were identified and measures were taken to prevent recurrences.

The process of analysing customer-specific requirements for the Company's quality system was optimised, reducing response time to customer requests and increasing customer satisfaction by fully meeting the requirements.

The Company has implemented the process of managing customer-initiated audits (including those carried out by various international classification societies). Due to the systematisation implemented, the organisational resources spent on the preparation of audits were reduced and the efficiency of the audits was increased. All audits received high ratings from our customers.

The Company engages the key customers in APQP (Advanced Product Quality Planning) projects to conduct production sites audit and obtain the required qualifications.

RUSAL does not produce significant product and service categories for which health and safety impacts are assessed for improvement. In 2021, RUSAL did not identify any non-compliance with the regulations and/or voluntary codes. There were no recalls of products for safety and health reasons.

## RUSAL CASE STUDY

**Raising responsibility**

In 2021, RUSAL acquired the assets of Aluminium Rheinfelden, a major German supplier of aluminium products to the automotive, pharmaceutical, and metallurgical industries. Promoting the global application of low carbon footprint aluminium, RUSAL started supplying the flagship ALLOW aluminium brand to Rheinfelden for the production of sought-after and high value-added products, especially for the automotive industry. Responsible consumers and investors are highly interested in developing new products based on the ALLOW aluminium, emissions<sup>54</sup> from which do not exceed 4 tonnes of CO<sub>2</sub>e per tonne of aluminium, while the current global average stands at about 12 tonnes of CO<sub>2</sub>e.

## RUSAL CASE STUDY

**Innovation for sustainability**

RUSAL is the leader in innovative aluminium developments with the lowest carbon intensity of production in the world, that is less than 10 kg of CO<sub>2</sub>e per tonne of metal. In 2021, the Company entered into a partnership agreement with Ball Corporation to produce sustainable aluminium packaging with the lowest carbon footprint in the world, the global demand for which is rising rapidly. Aluminium is an ideal material for a circular economy since it has valuable ability of being recycled again and again without loss of quality.

## RUSAL CASE STUDY

**Providing assurance**

Responsible business principles play an increasingly important role for customers and suppliers – and maintaining and enhancing market attractiveness increasingly relies on the quality of sustainability disclosure. In 2021, RUSAL became one of the first businesses in the industry to disclose sustainability performance in LME Passport, a digital metals register launched by the London Metal Exchange. This will help consumers and investors take more informed decisions on the metals they purchase and thus will facilitate the implementation of the decarbonisation strategy.

**Customer satisfaction analysis**

## HKEX KPI B6.4

The Company maintains regular customer feedback channels with one of the key elements being our consumer satisfaction survey. In 2021, 187 customers took part in a global survey focusing on comparing the Company's competitiveness. The average satisfaction rate was 4.17 out of 5, with consistently high customer loyalty. The Company's customers have praised ("above market average") the flexible contract terms, customer-specific financial solutions, quality of commercial service and technical support provided. The Company holds a high position in terms of quality of supply of primary foundry alloys, wire rod and high-purity aluminium. We are especially pleased to be recognised by our customers as a manufacturer of primary aluminium with a low carbon footprint.

To improve customer satisfaction, we study key customer expectations and current global trends in product port-

folio and key product features. As a result, opportunities to improve customer relations and product management processes were identified, and action plans were implemented.

RUSAL uses a comprehensive improvement planning tool based on the results of the customer satisfaction survey, supplier rating data, and the results of focus improvement programmes.

RUSAL aims to ensure quality excellence through improved processes and innovative customer-focused solutions. The Company underlines that in 2021, there were no recalls under contracts that impose quality requirements on the products supplied.

**Product labelling**

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

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

In 2021, the Company generally complied with relevant regulations regarding product labelling. There were five insignificant claims related to labeling, including colour coding errors, label peeling, and weight error.

<sup>54</sup> Level 1 emissions according to the Aluminium Carbon Footprint Technical Support Document (International Aluminium Institute, 2018). Source for the global average: International Aluminium Institute data, 2018.

## Consumer data protection

### HKEX KPI B6.5

**Protection of counterparty data throughout the supply chain is a priority for RUSAL's security activities. The list of the main documents regulating protection of confidential information includes:**

1. RUSAL Information Security Concept;
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. Non-Disclosure Regulation;
5. Instruction on practices for confidential documents handling and management;
6. Regulations on the structural units interaction to ensure information protection;
7. Contract of Employment (including the Non-disclosure Obligation and Instruction on Confidential Information Protection).

The Company's data protection activities are governed by the Personal Data Processing and Protection Policy and information on the requirements implemented for such

protection that ensures protection of the rights and freedoms of a person and a citizen when processing their data, including 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 relation to 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.

Information systems that process counterparty data ensure the integrity, confidentiality and availability of data throughout their lifecycle, from design to decommissioning, by implementing technical and organisational arrangements to protect them in accordance with their requirements.

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 2021

Goal	Status	Results
To increase customer satisfaction through developing an inter-functional direct contact at the Plant – Key Consumers level	Achieved	In 2021, a customer assessment of the quality of the products of specific plants was conducted. RUSAL's master status as a supplier was confirmed by 89% of customers. The plants prepared corrective action plans based on the results of the customer satisfaction survey.
To integrate the PDCA (plan-do-check-adjust) cycle into the customer satisfaction management process	Achieved	<ul style="list-style-type: none"> <li>– The integration of the PDCA cycle into the customer satisfaction management process was completed, including the development of APQP (Advanced Product Quality Planning) processes based on benchmarking characteristics and customer satisfaction survey results, as well as the formation of performance-assessed action implementation trackers. As part of the cycle, improvement plans for Aluminium Division plants for 2022 were developed.</li> <li>– Criteria for moving products from "Pilot" to "Serial" status in the Process Quality Passport format were developed and enacted.</li> <li>– Pilot "Process Quality Passports" were formed at KrAZ and SAZ plants.</li> </ul>
To further increase sales of low-carbon aluminium, as well as to further reduce climate and environmental impacts	Achieved	Sales of the ALLOW flagship low-carbon aluminium brand increased by 44% in 2021.
To continue disclosing information as stipulated by the UN Global Compact and CDP on a regular basis	Achieved	RUSAL, in accordance with the principles of the UN Global Compact, made fullest possible disclosure of material facts about the Company's operations and published regular reports, including the Sustainability Report. In 2021, the CDP confirmed the high quality of the Company's carbon disclosure by assigning an "A-" rating.
To further expand the LCA's share in RUSAL's offer to consumers	Achieved	RUSAL expanded its network of partnerships to promote low-carbon aluminium in 2021. One of the key events was the conclusion of a partnership agreement with Mingtai Aluminium, a major aluminium producer in China, under which the roll-out of ALLOW aluminium supplies to the partner's facilities commenced.
To continue intensive involvement in industry-wide decarbonisation initiatives	Achieved	 For more details, please see the <b>Main Achievements in 2021</b> section.

## Appendix 1. About the Present Report

### Approach to reporting

[GRI 102-46](#), [GRI 102-48](#), [GRI 102-49](#), [GRI 102-50](#), [GRI 102-51](#), [GRI 102-54](#), [GRI 102-56](#), [HKEX PARA. 11](#), [HKEX PARA. 14](#), [ASI PS 3.1](#)

The 2021 Sustainability Report of RUSAL (the “Report”) is the twelfth public non-financial report prepared by RUSAL and addressed to a wide range of stakeholders. The Report covers the key results of RUSAL’s sustainability performance from 1st January, 2021 to 31st December, 2021, as well as the Company’s plans for the year of 2021 and mid-term. The previous report was published in July 2021 and disclosed the Company’s results for the 2020 calendar year. Electronic versions of reports are available on the corporate website of RUSAL: <https://rusal.ru/en/sustainability/report/>.

The Report conforms to the GRI Sustainability Reporting Standards (Core option) and the Metals & Mining SASB Standards, constitutes a UN Global Compact communication on progress, and discloses the Company’s contribution to the UN Sustainable Development Goals up to 2030 (“UN SDGs”). The Sustainability Report is published in the English, Chinese, and Russian languages.

Among others, the Report relies on the following initiatives: GRI Mining and Metals Sector Supplement, recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) set up by the Financial Stability Board (FSB), Environmental, Social, and Governance Reporting Guide of HKEX, ASI Standards 10 principles of the UN Global Compact.

Information about the Company’s activities in the field of sustainable development, reflected in this Sustainability Report, has been collated in accordance with the

requirements of the above standards and initiatives. Data sources include 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 2021. 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 2021.

The Report contains updates of the data for previous years, which is indicated in the text.

Each year, the Company’s Report undergoes external assurance procedures, including independent professional assessment of the Report’s compliance with the GRI Standards. In the reporting year appointed “TSATR – Audit Service” (until 11.04.2022 – Ernst & Young LLC) to provide independent assurance of the 2021 Sustainability Report. This is intended to ensure the quality, accuracy, and completeness of the reported data and to facilitate improvements to the overall sustainability reporting process.

### The principles forming the basis of the Report

During the preparation of the Sustainability Report, RUSAL was guided by six key principles.

Principle	Description
<b>Stakeholder engagement</b>	When preparing the report, RUSAL listed all parties interested in its activities. The company explained how their reasonable expectations were taken into account when preparing the report.
<b>Sustainable development context</b>	The Report provides the results of the Company’s activities both in the broad (global contribution) and narrow (regional contribution) contexts of sustainable development. Based on these results, the Company sets goals and plans for further development in each aspect.
<b>Materiality</b>	The report covers topics that reflect the RUSAL’s significant economic, environmental and social impacts or have a significant impact on the assessments and decisions of its stakeholders.
<b>Completeness</b>	The disclosed indicators and coverage of material topics, as well as the boundaries of the Report, are sufficient to reflect the significant impact on the economy, the environment and society and to enable stakeholders to evaluate the results of RUSAL’s activities for the reporting period.
<b>Quantitative aspects</b>	The disclosures are fairly accurate and detailed. The indicators were calculated strictly in accordance with generally accepted methods.
<b>Consistency</b>	Descriptions of changes in data collection methods and methods for calculating indicators are presented in Appendix 1. About the Present Report and additional statements in the text of the Report.

### Reporting boundaries

[GRI 102-45](#), [GRI 102-49](#), [HKEX PARA. 15](#)

The Report covers operations of the RUSAL’s enterprises. 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. Quantitative indicators for certain areas

of sustainable development pertain to the Company’s specific operations. Starting from 2019, Boguchansky Aluminium Smelter (BoAZ) and the Downstream division were included into the reporting boundaries. Financial data in the Report is represented in accordance with IFRS. Sustainability data of Aluminum Rheinfelden (Germany) enterprises acquired by MKPAO RUSAL in April 2021 are not included in this Report and are planned to be included in the reporting from 2022.

## Appendix 2. Key Sustainability Data

### ECONOMIC INDICATORS

Indicator	Units	2019	2020	2021
Total net sales at year end, USD GRI 102-7	USD, mln	9,711	8,566	11,994
Capitalisation volume at year end				
including borrowed capital (loans and borrowings, including bonds)	USD, mln	8,247	7,792	6,733
including equity	USD, mln	6,747	6,543	10,524
Total volume of products supplied at year end (sale of primary aluminium and alloys) GRI 102-7, EM-MM-000.A	tonnes	4,176,093	3,925,871	3,903,981
<b>ECONOMIC VALUE GRI 201-1, HKEX KPI B8.2</b>				
Direct economic value created	USD, mln	11,425	9,575	13,844
Revenue	USD, mln	9,711	8,566	11,994
Income from financial investment	USD, mln	1,669	976	1,807
Income from the sale of assets	USD, mln	45	33	43
Distributed economic value	USD, mln	9,047	8,198	10,496
Operating costs	USD, mln	8,064	7,431	9,502
Salaries and other payments and benefits to employees	USD, mln	824	784	920
Payments to capital providers	USD, mln	581	459	364
Payments to the government	USD, mln	192	85	389
Investing in local communities	USD, mln	31	63	45
Undistributed economic value	USD, mln	2,378	1,377	3,348
<b>FINANCIAL ASSISTANCE RECEIVED FROM THE STATE GRI 201-4, ASI PS 3.3</b>				
Tax relief and tax credits	USD, mln	0	0	0
Grants, including those for R&D	USD, mln	5	0	0
Total	USD, mln	5	0	0

### ENVIRONMENTAL PROTECTION

Indicator	Units	2019	2020	2021
Total monetary value of fines for non-compliance with the environmental legislation	USD, thsd	5.0	34.2	79.0
Total number of significant violations of the environmental legislation <sup>55</sup> GRI 307-1, ASI PS 3.2	number	0	0	0
Total number of instances of the imposition of non-financial sanctions GRI 307-1, ASI PS 3.2	number	0	0	0
Total number of cases brought through dispute resolution in connection with violation of the environmental legislation GRI 307-1, ASI PS 3.2	number	4	0	0
<b>WATER<sup>56</sup></b>				
Total freshwater withdrawal GRI 303-3, ASI PS 7.1, 7.3, SASB EM-MM-140a.1	mln cubic metres	155.0	154.0	155.4
broken down by source				
Surface water	mln cubic metres	110.8	110.1	121.2
Groundwater	mln cubic metres	20.7	20.7	4.0
Urban networks	mln cubic metres	17.7	17.7	14.3
Other	mln cubic metres	12.8	5.4	15.9
Total seawater withdrawal GRI 303-3, ASI PS 7.1, 7.3	mln cubic metres	22.9	22.8	23.0
Total freshwater and seawater withdrawal GRI 303-3, ASI PS 7.1, 7.3	mln cubic metres	184.9	176.8	178.4
Total water withdrawal intensity	cubic metres/tonnes of alumina produced	23.5	21.6	21.5
Freshwater used for production needs <sup>57</sup> GRI 303-5, HKEX KPI A2.2, ASI PS 7.1,7.3	mln cubic metres	94.2	103.8	107.5
Total volume of freshwater consumption GRI 303-5, HKEX KPI A2.2, SASB EM-MM-140a.1, ASI PS 7.1,7.3	mln cubic metres	112.5	113.6	116.1
broken down by divisions				
Aluminium Division	mln cubic metres	17.9	19.5	17.8
Alumina Division	mln cubic metres	93.6	93.0	95.9

<sup>55</sup> Significant non-compliance with the environmental requirements is characterised by fines/penalties of over one mln US Dollars.

<sup>56</sup> Herein, there is no water-related data for the Bauxite Company of Guyana, the Bauxite Company of Kindia (Guinea), and the Friguia Bauxite and Alumina Complex that are not equipped with water metering systems (there are no applicable local regulations for the system of monitoring and measuring water resources). The consolidated values of the Company include only data on the water withdrawal of the Friguia Bauxite and Alumina Complex.

<sup>57</sup> At Russia-based 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.



Indicator	Units	2019	2020	2021
New Projects Directorate	mln cubic metres	0.8	0.6	0.8
Downstream Division	mln cubic metres	0.2	0.5	1.5
Share of repeated and recirculated water supply <sup>58</sup>	%	93.2	92.6	91.5
Total volume of industrial wastewater discharge into surface water bodies GRI 303-4, ASI PS 6.2	mln cubic metres	34.7	34.3	25.9
broken down by type				
Polluted	mln cubic metres	22.0	21.5	21.0
Treated	mln cubic metres	12.4	12.5	4.7
Nominally clean	mln cubic metres	0.3	0.3	0.2
Total industrial wastewater discharge intensity (discharge into surface water bodies)	cubic metres/tonnes of alumina produced	4.4	4.2	3.1
Total volume of seawater discharge GRI 303-4	mln cubic metres	22.9	22.8	22.7
<b>WASTE</b>				
Accumulation of non-hazardous waste as at 31 December <sup>59</sup>	mln tonnes	1,030.0	1,057.8	1,020.2
Total volumes of accumulated overburden <sup>60</sup> and sludge <sup>61,62</sup> GRI MM3	mln tonnes	812.5	951.9	982.2
broken down by type of waste				
overburden volumes	mln tonnes	341.0	469.0	488.0
sludge volume	mln tonnes	471.5	482.9	494.2
Volumes of formed overburden and sludge	mln tonnes	66.7	71.4	82.7
broken down by type of waste				
overburden volumes	mln tonnes	53.9	57.0	68.6
sludge volume SASB EM-MM-150a.5.	mln tonnes	12.8	14.4	14.1
Total volumes of waste, excluding overburden, broken down by operation <sup>63</sup> GRI 306-3, GRI 306-4, GRI 306-5, HKEX KPI A1.3, A1.4, ASI PS 6.5				
Generated	mln tonnes	14.2	16.7	15.6
Disposed <sup>64</sup>	mln tonnes	12.1	13.8	13.5
Recycled	mln tonnes	2.2	2.8	2.2

<sup>58</sup> The indicator was calculated using the following formula: volume of repeated and recirculated water supply/(volume of repeated and recirculated water supply + volume of freshwater used for production needs).

<sup>59</sup> Herein, in accordance with Russian legislation on environmental protection, hazardous wastes mean wastes of Classes I, II and III (extremely hazardous, highly hazardous and moderately hazardous), and non-hazardous wastes of Classes IV and V (lowhazardous and practically non-hazardous). Enterprises located in other countries define waste types according to national classifications.

<sup>60</sup> Overburden from bauxite/nepheline mining and other overburden (e. g. from the mining of limestone).

<sup>61</sup> Red/nepheline sludge.

<sup>62</sup> Herein, the data on deposits located in Guyana (Guyana Bauxite Company) and Guinea (Kindia and Dian Bauxite Company) that may be relevant for the consolidated indicators of formation and management of overburden and sludge is excluded due to the lack of measurement systems and corresponding requirements in the national legislation.

<sup>63</sup> The values for hazardous waste generation and recycling for 2019 and 2020 have been updated - the volume of formation and recycling of waste dust from gas treatment plants was included in the indicators.

<sup>64</sup> Herein, this indicator covers the landfilling and accumulation of waste at the Company's facilities, as well as transfer of waste to other organisations for the purpose of landfilling.

Indicator	Units	2019	2020	2021
Total volumes of hazardous waste broken down by operation HKEX KPI A1.3				
Generated SASB EM-MM-150a.7	mln tonnes	0.5	0.8	0.7
Disposed	mln tonnes	0.1	0.1	0.04
Recycled SASB EM-MM-150a.8	mln tonnes	0.5	0.8	0.66
Total volumes of non-hazardous waste, excluding overburden, broken down by operation HKEX KPI A1.4				
Generated	mln tonnes	13.7	15.9	15.0
Disposed	mln tonnes	12.0	13.7	13.5
Recycled	mln tonnes	1.8	2.0	1.5
Hazardous waste intensity HKEX KPI A1.3	tonnes/tonnes of aluminium produced	0.13	0.23	0.18
Total non-hazardous waste intensity (excluding overburden) HKEX KPI A1.4	tonnes/tonnes of aluminium produced	3.65	4.23	3.96
<b>SPECIFIC WASTE</b>				
Red/nepheline sludge from alumina production broken down by operation GRI MM3, SASB EM-MM-150a.5., ASI PS 6.6				
Generated	mln tonnes	12.8	14.4	14.1
Disposed	mln tonnes	11.6	13.4	11.7
Recycled	mln tonnes	1.2	1.1	0.9
Percentage of red/nepheline sludge sent for recycling	%	9.5	7.4	6,6
Spent carbon pot lining broken down by operation ASI PS 6.7				
Generated	thsd tonnes	41.6	38.2	33.0
Disposed	thsd tonnes	10.2	8.5	9.1
Recycled	thsd tonnes	32.6	31.1	24.8
Percentage of spent carbon pot lining sent for recycling	%	78.4	81.4	75.2
<b>AIR EMISSIONS<sup>65</sup> GRI 305-7, HKEX KPI A1.1, ASI PS 6.1</b>				
Total emissions intensity	tonnes/tonnes of aluminium produced	0.093	0.094	0.096
SOx emissions intensity	tonnes/tonnes of aluminium produced	0.011	0.011	0.012
NOx emissions intensity	tonnes/tonnes of aluminium produced	0.005	0.005	0.006
VOC emissios intensity	tonnes/tonnes of aluminium produced	0.0004	0.0004	0.0003

<sup>65</sup> Herein, the data on the bauxite-alumina complex "Fria" (Guinea) which may be material for the consolidated indicators, are presented separately due to the lack of measurement systems and relevant requirements in the national legislation. As evaluated based on fuel consumption data, SO<sub>2</sub> emissions are estimated at 3.8 thousand tons.

## CLIMATE CHANGE

Indicator	Units	2019	2020	2021
<b>DIRECT (SCOPE 1) GHG EMISSIONS<sup>66</sup> GRI 305-1, HKEX KPI A1.2</b>				
broken down by divisions				
Aluminium Division	tonnes CO <sub>2</sub> e	8,819,639	8,915,130	8,868,230
Other production	tonnes CO <sub>2</sub> e	17,255,741	17,865,621	19,702,119
<b>INDIRECT (SCOPE 2) GHG EMISSIONS GRI 305-2, HKEX KPI A1.2</b>				
broken down by divisions				
Aluminium Division	tonnes CO <sub>2</sub> e	748,960	820,515	596,093
Other production	tonnes CO <sub>2</sub> e	1,289,901	986,448	781,888
<b>SPECIFIC GHG EMISSIONS HKEX KPI A1.2</b>				
Direct (Scope 1) specific GHG emissions in electrolysis operations	tonnes CO <sub>2</sub> e per tonne of aluminium produced	2.04 <sup>67</sup>	2.04	2.02

## HKEX KPI A1.5, ASI PS 5.2

## SCOPE 1

## ▲ Growth in 2021 compared to 2020 was caused by:

- inclusion of the Pikalevsky Alumina Refinery (PGLZ): PGLZ was accounted in full for the entire year (in 2020, only the IV quarter was taken into account, since PGLZ was acquired in September 2020);
- expansion of the perimeter of the covered enterprises (Boksitogorsk Alumina Refinery, Taishet Anode Plant and subsidiaries of the Downstream Division have been added).

## SCOPE 2

## ▼ Decrease in 2021 compared to 2020 was caused by:

- increase in the share of electricity at aluminum smelters purchased under direct supply contracts;
- using revised emission factors from the International Energy Agency (IEA) and the Russian Energy Agency (REA).

## SCOPE 3

## ▼ Decrease in 2021 compared to 2020 was caused by:

- change in the basket of imported raw materials (bauxite and alumina);
- reduction of the carbon footprint of purchased alumina;
- use of adjusted emission factors from Russian gas and coal production.

<sup>66</sup> The data on greenhouse gas emissions in 2019 and 2020 does not include the volume of emissions at the Downstream Division enterprises. The data for 2021 includes emissions at the Downstream Division enterprises that in 2021 amounted to 154,787.67 tonnes of CO<sub>2</sub>e (Scopes 1, 2 and 3).

<sup>67</sup> Including VgAZ.

## ENERGY EFFICIENCY

Indicator	Units	2019	2020	2021
<b>FUEL CONSUMPTION HKEX KPI A2.1, ASI 5.1, GRI 302-1</b>				
broken down by type of fuel				
Natural gas	bn cubic m	2.92	3.10	3.56
Heavy fuel	mln tonnes	0.57	0.61	0.67
Coal	mln tonnes	3.47	3.62	3.56
Diesel	mln tonnes	0.10	0.09	0.10
Other <sup>68</sup>	mln tonnes	0.08	0.04	0.06
Total consumption of non-renewable energy sources (fuels)	mln GJ	202.2	212.6	232.2
<b>ENERGY CONSUMPTION (purchased and received electricity and heat) GRI 302-1, HKEX KPI A2.1, SASB EM-MM-130a.1.</b>				
broken down by type				
Electricity	mln MWh	67	67	67
Electricity	mln GJ	241	241.6	242.4
Share of purchased electricity	%	100	100	100
Heat	mln Gcal	0.7	0.7	0.8
Heat	mln GJ	3.1	2.9	3.4
Total energy consumption	mln GJ	447.8	457.6	478.7
Fuel consumption from renewable sources	mln GJ	1.47	0.51	0.63
Energy intensity GRI 302-3				
Energy intensity coefficient of energy consumption	GJ/t	65.0	65.1	65.3

## EMPLOYEES

Indicator	Units	2019	2020	2021
TOTAL MANPOWER AT THE END OF THE REPORTING PERIOD	number	53,654	56,150	57,933
broken down by country GRI 102-7, KPI B1.1, SASB EM-MM-000.B				
Russia	number	43,305	46,019	47,873
Armenia	number	664	679	676
Ukraine	number	2,887	2,885	2,899
Jamaica	number	1,124	1,161	1,134
Guinea	number	3,754	3,832	3,816
Ireland	number	459	469	459

<sup>68</sup> The figures include diesel, gasoline, kerosene and LNG, coke, charcoal, and biofuel.

Guyana <sup>69</sup>	number	510	-	113
Sweden	number	461	496	488
Other countries <sup>70</sup>	number	490	609	475
Average headcount GRI 401-1	number	54,981	53,335	55,971
Percentage of new recruitments GRI 401-1	%	17.3	13.8	14.1
Female	%	22.9	24.4	26.6
Male	%	77.1	75.6	73.4
Number of new recruitments	number	9,282	7,723	8,154
by region of operations and age GRI 401-1				
Russia	number	7,373	6,805	7,327
Employees under 30 years old	number	2,766	2,367	2,664
Employees 30 to 50 years old	number	3,979	3,796	4,109
Employees over 50 years old	number	628	642	554
Other countries	number	1,909	918	827
Employees under 30 years old	number	694	362	333
Employees 30 to 50 years old	number	1,052	457	400
Employees over 50 years old	number	163	99	94
Turnover rate GRI 401-1, KPI B1.2	%	40.2	10.9	10.6
Russia, including	%	47.7	10.8	11.0
Female	%	37.0	10.8	10.6
under 30 years old	%	43.7	20.0	21.4
30 to 50 years old	%	33.9	9.2	8.9
over 50 years old	%	42.0	10.8	10.3
Male	%	51.6	10.8	11.1
under 30 years old	%	55.5	16.3	19.4
30 to 50 years old	%	46.5	8.8	8.7
over 50 years old	%	65.5	12.4	12.1
Other countries, including	%	9.0	11.8	8.7
Female	%	6.3	8.1	7.5
under 30 years old	%	12.8	18.6	15.1
30 to 50 years old	%	4.8	6.9	4.3
over 50 years old	%	6.6	6.9	10.1
Male	%	9.4	12.3	9.0
under 30 years old	%	15.6	20.2	16.3
30 to 50 years old	%	7.9	9.9	6.1
over 50 years old	%	9.4	13.3	11.6
Percentage of employees covered by collective agreements GRI 102-41, SASB EM-MM-310a.1, ASI PS 10.1b	%	83.1	85.5	84.6

<sup>69</sup> In 2020, Guyana's personnel was under 400 employees.

<sup>70</sup> "Other Countries" are defined as countries where overall manpower is under 400 employees as at end of the reporting period.

Indicator	Units	2019	2020	2021
<b>MANPOWER BY GENDER GRI 405-1, KPI B1.1</b>				
Percentage of female employees	%	24.2	24.7	24.9
Percentage of female senior managers	%	15.3	16.6	17.4
Percentage of female mid-level managers	%	19.3	20.1	21.2
Percentage of female specialists	%	55.8	56.6	54.5
Percentage of female workers	%	19.8	20.3	20.2
<b>MANPOWER BY AGE GROUPS GRI 405-1, KPI B1.1</b>				
Employees aged under 30	number	8,512	8,372	8,460
Percentage of employees aged under 30	%	15.9	14.9	14.6
Employees aged 30 to 50	number	33,176	34,949	36,407
Percentage of employees aged 30 to 50	%	61.8	62.2	62.8
Employees aged over 50	number	11,966	12,829	13,066
Percentage of employees aged over 50	%	22.3	22.8	22.6
broken down by employee category				
Senior managers	number	609	643	656
under 30 years old	number	4	3	1
30 to 50 years old	number	373	406	395
over 50 years old	number	232	234	260
Mid-level managers	number	4,035	4,268	4,334
under 30 years old	number	125	121	126
30 to 50 years old	number	2,678	2,845	2,960
over 50 years old	number	1,232	1,302	1,248
Specialists	number	6,662	6,974	7,880
under 30 years old	number	985	922	1,068
30 to 50 years old	number	4,223	4,503	5,252
over 50 years old	number	1,454	1,549	1,560
Workers	number	42,348	44,265	45,063
under 30 years old	number	7,398	7,326	7,265
30 to 50 years old	number	25,902	27,195	27,800
over 50 years old	number	9,048	9,744	9,998
<b>EMPLOYEES BY EMPLOYMENT CONTRACT TYPE GRI 102-8</b>				
PERMANENT EMPLOYMENT CONTRACT				
Percentage of employees on a permanent contract	%	91.8	91.5	92.3
Permanent contract	number	49,232	51,402	53,447
Male	number	37,417	38,844	40,525
Female	number	11,815	12,558	12,922

Indicator	Units	2019	2020	2021
Percentage of employees on a permanent contract in Russia	%	96.2	95.6	94.8
Percentage of employees on a permanent contract in other countries	%	73.3	73.2	80.0
<b>FIXED-TERM EMPLOYMENT CONTRACT</b>				
Percentage of employees hired on a fixed-term basis	%	8.2	8.5	7.7
Fixed-term employment contract	number	4,422	4,748	4,486
Male	number	3,276	3,426	2,961
Female	number	1,146	1,322	1,525
Percentage of employees hired on a fixed-term basis in Russia	%	3.8	4.4	5.2
Percentage of employees with fixed term employment contract in other countries	%	26.7	26.8	20.0
<b>EMPLOYEES BY EMPLOYMENT CONTRACT TYPE GRI 102-8, KPI B1.1</b>				
<b>FULL-TIME</b>				
Percentage of full-time employees	%	98.8	98.8	98.9
Percentage of full-time employees in Russia	%	99.7	99.7	99.7
Percentage of full-time employees in other countries	%	95.1	94.8	95.0
Full-time employees, including	number	53,012	55,461	57,308
Russia	number	43,165	45,860	47,752
Female	number	11,534	12,454	12,998
Male	number	31,631	33,406	34,754
Other countries	number	9,847	9,601	9,556
Female	number	1,274	1,257	1,264
Male	number	8,573	8,344	8,292
<b>PART-TIME</b>				
Percentage of part-time employees	%	1.2	1.2	1.1
Percentage of part-time employees in Russia	%	0.3	0.3	0.3
Percentage of part-time employees in other countries	%	4.9	5.2	5.0
Part-time employees, including	number	642	689	625
Russia	number	140	159	121
Female	number	63	72	81
Male	number	77	87	40
Other countries	number	502	530	504
Female	number	90	97	104
Male	number	412	433	400

Indicator	Units	2019	2020	2021
<b>RUSAL MINIMUM ENTRY LEVEL SALARIES GRI 202-1</b>				
broken down by country				
Russia	USD	459	180	246
Female	USD	n/a	n/a	246
Male	USD	n/a	n/a	246
Armenia	USD	436	435	439
Female	USD	n/a	n/a	444
Male	USD	n/a	n/a	439
Ukraine	USD	219	185	238
Female	USD	n/a	n/a	238
Male	USD	n/a	n/a	238
Jamaica	USD	325	331	313
Female	USD	n/a	n/a	313
Male	USD	n/a	n/a	313
Guinea	USD	73	70	69
Female	USD	n/a	n/a	69
Male	USD	n/a	n/a	69
Guyana	USD	571	568	556
Female	USD	n/a	n/a	556
Male	USD	n/a	n/a	603
Nigeria	USD	140	150	143
Female	USD	n/a	n/a	192
Male	USD	n/a	n/a	143
<b>RUSAL MINIMUM ENTRY LEVEL SALARIES VS REGIONAL MINIMUM GRI 202-1, ASI PS 10.7a</b>				
broken down by country				
Russia	coefficient	1.8	1.1	1.4
Armenia	coefficient	2.9	2.3	2.3
Ukraine	coefficient	1.2	1.0	1.0
Jamaica	coefficient	1.4	1.5	1.6
Guinea	coefficient	1.6	1.5	1.5
Guyana	coefficient	2.3	2.7	2.6
Nigeria	coefficient	2.4	1.8	1.9

Indicator	Units	2019	2020	2021
<b>GENDER PAYOUT RATIO GRI 405-2</b>				
Average wages of men vs average wages of women <sup>71</sup>				
Russia	coefficient	n/a	1.3	1.3
Other countries	coefficient	n/a	0.7	0.9
Senior managers				
Russia	coefficient	n/a	1.3	1.7
Other countries	coefficient	n/a	1.2	1.1
Mid-level managers				
Russia	coefficient	n/a	1.1	1.1
Other countries	coefficient	n/a	0.8	1.2
Specialists				
Russia	coefficient	n/a	1.7	1.5
Other countries	coefficient	n/a	0.8	1.1
Workers				
Russia	coefficient	n/a	1.3	1.4
Other countries	coefficient	n/a	1.3	1.0
<b>PROPORTION OF THE SENIOR MANAGEMENT STAFF HIRED FROM THE LOCAL COMMUNITY<sup>72</sup> GRI 202-2</b>				
Total	%	89.9	90.3	90.4
Russia	%	99.8	99.8	99.8
Other countries	%	63.0	61.6	60.8
<b>PARENTAL LEAVE GRI 401-3</b>				
Total number of employees that were entitled to parental leave	number	7,843	7,408	7,186
Female	number	1,694	1,615	1,536
Male	number	6,149	5,793	5,650
Total number of employees that took parental leave	number	391	388	312
Female	number	375	363	291
Male	number	16	25	21
Total number of employees that returned to work in the reporting period after parental leave ended	number	282	266	280
Female	number	271	249	267
Male	number	11	17	13

<sup>71</sup> Due to a change in the approach to calculating the average salary of employees, data for 2020 has been revised.

<sup>72</sup> Share of top management from among the local population in the Russian Federation and other countries was recalculated for 2019–2020 due to a change in the approach to calculating the indicator. When calculating the indicators, the value of the total number of employees at the end of the year was used instead of the average number of employees. Geographic definition of the local population includes the country.

Indicator	Units	2019	2020	2021
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	number	228	242	215
Female	number	222	233	203
Male	number	6	9	12
Return to work rate of employees that took parental leave	%	89.5	84.7	84.3
Female	%	90.0	85.0	84.0
Male	%	78.6	84.7	92.9
Retention rate of employees that took parental leave	%	80.9	85.8	80.8
Female	%	82.8	86.0	81.5
Male	%	42.9	81.8	70.6

#### TRAINING

Indicator	Units	2019	2020	2021
<b>PERCENTAGE OF EMPLOYEES TRAINED KPI B3.1</b>				
Break-down by gender				
Male	%	n/a	11.0	15.0
Female	%	n/a	23.0	27.0
Break-down by employee category				
Managers	%	n/a	36.7	60.0
Specialists	%	n/a	55.6	65.5
Workers	%	n/a	2.8	5.21
<b>AVERAGE COMPLETED TRAINING HOURS PER EMPLOYEE KPI B3.2, GRI 404-1</b>				
Average training hours per employee per year	hours	n/a	2.1	2.3
Break-down by gender				
Average number of training hours per female employee per year	hours	n/a	3.65	3.90
Average number of training hours per male employee per year	hours	n/a	1.6	1.75
Break-down by employee category				
Average number of training hours per manager per year	hours	n/a	6.4	7.3
Average number of training hours per specialist per year	hours	n/a	11.9	11.3
Average number of training hours per worker per year	hours	n/a	0.1	0.145

## HEALTH AND SAFETY PERFORMANCE

Indicator	Units	2019	2020	2021
Workers covered by the occupational health and safety management system <a href="#">GRI 403-8</a>				
RUSAL	%	100	100	100
Contractors <sup>73</sup>	%	100	100	100
Number of fatalities caused by work-related injuries (employees) <sup>74</sup> <a href="#">GRI 403-9, EM-MM-320a.1</a>	number	4	2	7
Number of fatalities caused by work-related injuries (contractors) <a href="#">EM-MM-320a.1</a>	number	3	5	5
LTIFR (including the main contractor ECM LLC) <sup>75</sup>	rate	0.21	0.18 <sup>76</sup>	0.15
LTIFR (employees)	rate	0.21	0.20	0.16
LTAFR (employees)	rate	0.22	0.20	0.18
Cases of occupational diseases <sup>77</sup> <a href="#">GRI 403-10</a>	number	113	100	114
Cases of fatalities caused by occupational diseases	number	0	0	0
Employee fatality rate	rate	0.009	0.005	0.015
Severe injury rate	rate	0.05	0.04	0.04
Total rate of incidents recorded (TRIR)	rate	0.33	0.27	0.27
Number of work-related injuries (employees) <a href="#">GRI 403-9</a>	number	94	85	82
Number of high-consequence work-related injuries (less the contractors)				
RUSAL (employees)	number	22	18	16
Contractors	number	9	7	11
Number of hours worked				
RUSAL	mln man-hours	86.7	84.0	90.9
Lost days due to work injury <a href="#">HKEK KPI B2.2</a>	number	6,905	6,835	5,847

<sup>73</sup> All workers who are not employees but whose work and/or workplace is controlled by the organization.

<sup>74</sup> The "Key Sustainability Data" chapter herein: the data on injuries and occupational diseases contains reported cases for active employees only.

<sup>75</sup> Here and further in the section "Key sustainability data", the LTIFR indicator is calculated for 200 thousand man-hours worked and includes cases of severe and minor injuries with temporary disability registered by the Company for the specified period. The LTAFR indicator is calculated for 200 thousand man-hours worked and includes cases of fatal, severe and minor injuries with temporary disability registered by the Company for the specified period.

<sup>76</sup> In 2020, the actual rate was 0.18, excluding Pikalevsky Alumina Plant LLC (PGLZ). Since the acquisition of the PGLZ in September 2020 up to the end of 2020, four work-related injuries, including two high-consequence work-related injuries, have occurred at the PGLZ. From 2021, PGLZ included into the general statistics of UC RUSAL.

<sup>77</sup> The statistics do not include cases of newly diagnosed occupational diseases in the post-exposure period.

## INVESTING IN COMMUNITIES

Indicator	Units	2019	2020
Social investments by category			
Education	%	38.7	10.8
Social assistance and support	%	16.9	3.1
Social infrastructure and urban environment	%	15.8	8.7
Culture	%	11.4	1.1
Environmental and animal protection	%	11.2	1.0
Healthcare	%	2.8	72.9
Sports	%	2.3	2.3
Volunteering	%	0.9	0.1
Total social investments	USD, mln	31	63

## INVESTING IN COMMUNITIES

Indicator	Units	2021
Social investments by category		
Education	%	26.9
Social assistance and support	%	2.0
Social infrastructure and urban environment	%	18.7
Culture	%	2.9
Environmental and animal protection	%	5.0
Healthcare	%	32.5
Sports	%	3.9
Volunteering	%	0.7
Development of NPOs and local communities	%	7.5
Total social investments	USD, mln	45.12

## GOVERNANCE

Indicator	Units	2019	2020	2021
<b>COMPOSITION OF THE BOARD OF DIRECTORS</b> <a href="#">GRI 102-22, 405-1</a>				
Total number of directors on the Board	number	14	14	14
Number of independent directors	number	8	8	8
Board of Directors by age group				
35 to 50 years old	number	5	5	4
50 to 70 years old	number	7	7	9
over 70 years old	number	2	2	1

Indicator	Units	2019	2020	2021
Tenure on the Board of Directors				
up to 2 years	number	10	10	2
2 to 5 years	number	3	3	9
over 5 years	number	1	1	3
Number of Board meetings	number	10	36	29
<b>GENDER COMPOSITION OF SENIOR MANAGEMENT</b> GRI 102-22, GRI 405-1				
Men	number	13	13	13
Women	number	1	1	1
Share of women	%	7	7	7
<b>INDEPENDENCE OF BOARD COMMITTEES</b> 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	83	83
Compliance Committee	%	100	100	100
Marketing Committee	%	0	0	0
<b>REMUNERATION TO SUPERIOR GOVERNING BODIES</b> GRI 102-22				
Remuneration amount (including basic salary, performance-related salary, incentive salary and Directors' bonuses)	USD, thsd	6	7,333	7,629
Executive Directors	USD, thsd	n/a	2,938	2,965
Non-executive Directors	USD, thsd	n/a	861	889
Independent Non-executive Directors	USD, thsd	n/a	3,534	3,775

**BUSINESS ETHICS**

Indicator	Units	2019	2020	2021
Number of confirmed violations of internal codes of business conduct	number	n/a	4 <sup>78</sup>	4
Number of completed and initiated corruption cases against the issuer or his employees during the reporting period HKEX KPI B7.1	number	n/a	0	0
Members of governing bodies informed about the organisation's anti-corruption policies and methods GRI 205-2	%	n/a	0 <sup>79</sup>	100
Employees informed about the organisation's anti-corruption policies and methods GRI 205-2	number	n/a	30,953	57,993

<sup>78</sup> Clarification of the classification of violations in compared to the data presented in the Sustainable Development Report 2021.

<sup>79</sup> They were not informed in 2020 since 2016 on Policy adoption.

Indicator	Units	2019	2020	2021
Business partners informed about the organisation's anti-corruption policies and methods GRI 205-2	%	n/a	100	100 <sup>80</sup>
Employees trained in anti-corruption policies and techniques GRI 205-2, HKEX KPI B7.3	number	n/a	30,953	57,993
<b>COMPLIANCE</b>				
Employees who passed training in "Declaring a conflict of interest by the Company's employees" GRI 102-25	number	n/a	3,500	3,755
Number of reported conflicts of interests GRI 102-25	number	n/a	3,300	3,755
<b>COMPLIANCE WITH LEGAL REGULATIONS</b> GRI 206-1				
Significant fines due to violation of antitrust laws	USD	n/a	n/a	0
Competition and Antitrust Violations Litigation	number	n/a	n/a	0
<b>THE SIGNAL HOTLINE</b> GRI 102-17				
Total number of reports to the SignAL hotline	number	300	426	612
broken down by category				
Labour relations	number	129	245	213
Relationship with counterparties	number	63	80	146
Environment, occupational health and safety	number	21	26	29
Inefficient use of the Company's assets	number	51	21	32
Other	number	36	54	192

**SUPPLY CHAIN<sup>81</sup>**

Indicator	Units	2019	2020	2021
Total number of suppliers HKEX KPI B5.1				
Management company	number	112	105	111
Aluminium Division	number	5,483	5,799	6,745
Alumina Division	number	6,050	6,585	6,574
Downstream Division	number	2,119	2,282	1,607
New Projects Directorate	number	6	6	333
Total	number	13,770	14,777	15,370

<sup>80</sup> The information is published on the Company's website as public information and is open for review by the counterparties.

<sup>81</sup> The number of suppliers and local suppliers for 2019–2020 was adjusted due to a change in the approach to the collection of procurement data performed by the Management company and the Aluminium Division.

Indicator	Units	2019	2020	2021
<b>Total number of local suppliers<sup>82</sup> HKEX KPI B5.1</b>				
Management company	number	10	15	11
Aluminium Division	number	2,975	3,022	3,127
Alumina Division	number	3,269	3,216	3,792
Downstream Division	number	828	1,025	660
New Projects Directorate	number	-	-	101
Total	number	7,082	7,278	7,691
<b>Purchases from suppliers GRI 204-1</b>				
Management company	USD mln	1,406	1,123	2,138
Aluminium Division	USD mln	4,529	4,065	4,440
Alumina Division	USD mln	1,776	1,584	1,887
Downstream Division	USD mln	89	104	87
New Projects Directorate	USD mln	-	5	22
Total	USD mln	7,800	6,881	8,574
<b>Purchases from local suppliers GRI 204-1</b>				
Management company	USD mln	247	166	272
Aluminium Division	USD mln	1,607	1,564	1,533
Alumina Division	USD mln	629	508	870
Downstream Division	USD mln	51	32	28
New Projects Directorate	USD mln	-	-	6
Total	USD mln	2,533	2,269	2,708
Number of new suppliers assessed against social criteria as part of supplier audits GRI 414-2	number	n/a	21	339
Number of supplier audits performed on sustainability compliance issues, including human rights violations GRI 412-1	number	78	64	84
<b>Share of purchases from local suppliers in total purchases GRI 204-1</b>				
Managing Company	%	18	15	13
Aluminium Division	%	35	38	35
Alumina Division	%	35	32	46
Downstream Division	%	57	30	33
New Projects Directorate	%	0	0	27
Total	%	32	33 <sup>83</sup>	32
Total number of cases of non-compliance with the rules and/or voluntary codes related to information on goods and services, as well as labelling of goods GRI 417-2	number	0	0	5

<sup>82</sup> For enterprises of the Russian Federation, the local market stands for the suppliers and contractors registered in the Subject of the Federation of the enterprise's presence (for Sayanogorsk - Khakassia + Krasnoyarsk Territory); for foreign enterprises (outside the Russian Federation) the local market stands for the suppliers and contractors registered in the country of presence.

<sup>83</sup> The data obtained from divisions is presented on suppliers of all goods and services, except for credit and financial services.

## BUSINESS SYSTEM

Indicator	Units	2019	2020	2021
<b>Business system (BS) development</b>				
Number of projects aimed at the BS development (projects at the Company level aimed at improving logistics operations, quality, supplier development, etc.)	number	90	107	98
Number of in-plant projects (projects at the enterprise level aimed at reducing losses, optimising the equipment) performance, etc.)	number	269	259	192
Total economic effect of the BS implementation	USD mln	46.7	38.8	39.8 <sup>84</sup>
<b>Kaizen Workshops</b>				
Number of improvements proposed by employees	number	10,713	11,816	12,396
Number of implemented improvements proposed by employees	number	9,645	11,155	11,607
Number of Kaizen Workshops	number	10	10	10
<b>"Improvement of the Year" Competition</b>				
Number of participants	persons	1,100	1,148	1,232
Economic effect of the Kaizen proposals and projects	USD million	7.8	8.45	14.77-
Internal training	persons	5,578	4,300	6,677
External training	persons	79	128	157
Distance training	persons	3,005	5,700	6,221
Number of practical trainings on various topics in organising and improving the production process	number	480	312	362

## QUALITY MANAGEMENT SYSTEM

Indicator	Units	2019	2020	2021
<b>Quality management audits</b>				
Number of internal corporate audits	number	31	32	34
Number of independent audits	number	26	24	30
<b>Quality training for employees</b>				
Number of employees trained	persons	863	1,800	2,085
Number of quality trainings	number	23	19	26

<sup>84</sup> Aggregate economic effect, actual after closing of Business system.



## 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
<b>GRI 101: FOUNDATION (2016)<sup>85</sup></b>						
<b>GRI 102 GENERAL DISCLOSURES</b>						
<b>1. Organisation Profile</b>						
GRI 102-1	Name of the organisation	About RUSAL	p. 4			
GRI 102-2	Activities, brands, products, and services	About RUSAL RUSAL's products	p. 4			
GRI 102-3	Location of head-quarters	Where we operate Contact information	p. 6			
GRI 102-4	Location of operations	Where we operate	p. 6			
GRI 102-5	Ownership and legal form		See Annual Report 2021, section "Financial Statements", p. 159 International Public Joint-Stock Company.			
GRI 102-6	Markets served	Where we operate	p. 6			
		Interaction with consumers	p. 151			
GRI 102-7	Scale of the organisation	Appendix 2. Key sustainability data	p. 158 See Annual Report 2021, section "Financial and production indicators" and "Business overview", p. 4, 24-29.			
GRI 102-8	Information on employees and other workers	Personnel structure	p. 75		KPI B1.1	The percentage of full-time employees is disclosed without a breakdown by gender, and the percentage of employees with a permanent contract is disclosed without breaking down by gender and region due to the specifics of information collection of the Company.
		Appendix 2. Key sustainability data	p. 166			

<sup>85</sup> Appendix 1. About the Present Report.

GRI Indicator	Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 102-9	Supply chain	Supply chain structure Supply management system	p. 145 p. 145			Aspect B5, KPI B5.1-B5.4
GRI 102-10	Significant changes within the organisation and its supply chain	Supply chain structure	p. 145			Aspect B5
GRI 102-11	Precautionary principle or approach	-				When planning activities, RUSAL ensures compliance with the current environmental legislation and regulations of the countries where the Company operates.
GRI 102-12	External initiatives	Association and international initiatives membership	p. 22			
		Merging business sustainability priorities and SDGs	p. 25			
GRI 102-13	Associations membership	Association and international initiatives membership	p. 22			3.3.5 Participation in non-profit organisations (e. g. industry organisations) and/or national and international organisations whose activities are related to the interests of the Company.
<b>2. Strategy</b>						
GRI 102-14	Statement from senior decision-maker	Message from the Chairman Message from the General Director	p. 8 p. 10			Para 10,13
GRI 102-15	Key impacts, risks and opportunities	Risk and internal control	p. 126			Para 10,13
<b>3. Ethics and Integrity</b>						
GRI 102-16	Values, principles, standards, and norms of behaviour	RUSAL's Sustainability strategy Our values Human rights Anti-corruption	p. 14 p. 88 p. 134			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	SignAL hotline Appendix 2. Key sustainability data	p. 139 p. 173			KPI B7.2

GRI Indicator	Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
<b>4. Governance</b>						
GRI 102-18	Governance structure	Corporate governance structure and composition			PS 2.1	
GRI 102-19	Delegating authority	Enhanced corporate governance for sustainable development		Para 13		
GRI 102-20	Executive-level responsibility for economic, environmental, and social aspects	Enhanced corporate governance for sustainable development		Para 13	PS 2.2	
GRI 102-21	Consulting stakeholders on economic, environmental and social topics	Factors essential for sustainable business development				
GRI 102-22	Composition of the superior governing body and its committees	Corporate governance structure and composition Appendix 2. Key sustainability data			PS 2.2	
GRI 102-23	Chair of the superior governing body	Corporate governance structure and composition			PS 2.2	
GRI 102-24	Nominating and selecting the highest governance body	Corporate governance structure and composition				p. 121 See Annual Report 2021, section "Corporate governance report", p. 136.
GRI 102-25	Conflicts of interest	Compliance system Appendix 2. Key sustainability data				p. 137 p. 173 See Annual Report 2021, section "Business overview", p. 38.
GRI 102-26	Role of the highest governance body in setting purpose, values, and strategy	Corporate governance structure and composition Enhanced corporate governance for sustainable development		Para 10,13		
GRI 102-27	Collective knowledge of the superior governing body	Corporate governance structure and composition Risks and internal control Enhanced corporate governance for sustainable development		Para 10,13		

GRI Indicator	Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 102-28	Evaluating the superior governing body's performance	Corporate governance structure and composition				p. 121 See Annual Report 2021, section "Corporate governance report", p. 134.
GRI 102-29	Identifying and managing economic, environmental, and social impacts	Risks and internal control Enhanced corporate governance for sustainable development		Para 10,13	PS 3.1	
GRI 102-30	Effectiveness of risk management processes	Risks and internal control		Para 10,13	PS 1.1	
GRI 102-31	Reviewing economic, environmental, and social topics	Enhanced corporate governance for sustainable development		Para 10,13	PS 3.1	
GRI 102-32	Role of the superior governing body in sustainability reporting	Enhanced corporate governance for sustainable development		Para 10,13		The Sustainable Development Report was approved at the Board meeting (data).
GRI 102-33	Communicating critical concerns	Risks and internal control		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	Remuneration of the members of the supreme governing bodies				p. 123 See Annual Report 2021, section "Report of the Board of Directors", p. 123.
GRI 102-36	Process for determining remuneration	Motivation and remuneration Remuneration of the members of the supreme governing bodies				p. 81 p. 123 See Annual Report 2021, section "Report of the Board of Directors", p. 123.

GRI Indicator	Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
<b>5. Stakeholder Engagement</b>						
GRI 102-40	List of stakeholder groups	Methods of stakeholder engagement	p. 18	Para 7	PS 3.4	
GRI 102-41	Collective bargaining agreements	Social partnership Appendix 2. Key sustainability data	p. 88 p. 165		PS 10.1	3.1.4. Coverage by collective bargaining agreements
GRI 102-42	Identifying and selecting stakeholders	Factors essential for sustainable business development	p. 18	Para 7		
GRI 102-43	Approach to stakeholder engagement	Methods of stakeholder engagement Management approach	p. 18 p. 103, 105	Para 7		
GRI 102-44	Key topics and concerns raised	Methods of stakeholder engagement	p. 18	Para 7		
<b>6. Reporting Practice</b>						
GRI 102-45	Entities included in the consolidated financial statements	Appendix 1. About this Report	p. 157	Para 15		
GRI 102-46	Establishing the report content and topic boundaries	Materiality assessment Appendix 1. About this Report	p. 20 p. 156	Para 11,14		
GRI 102-47	List of material topics	Materiality assessment	p. 20	Para 14	PS 3.1	
GRI 102-48	Restatements of information	Appendix 1. About this Report	p. 156	Para 14,15		
GRI 102-49	Changes in reporting	Materiality assessment Appendix 1. About this Report	p. 20 p. 156, 157	Para 14,15		
GRI 102-50	Reporting period	Appendix 1. About this Report	p. 156			
GRI 102-51	Date of most recent report	Appendix 1. About this Report	p. 156			
GRI 102-52	Reporting cycle	-	Annual			
GRI 102-53	Contact point for questions regarding the report	Contact information	p. 204			
GRI 102-54	Reporting complaints in accordance with the GRI Standards	Appendix 1. About this Report	p. 156			

GRI Indicator	Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 102-55	GRI content index	Appendix 3. GRI Content Index	p. 178			
GRI 102-56	External assurance	Appendix 1. About this Report Appendix 7. External assurance	p. 156 p. 203	Para 9		
<b>GRI 103 MANAGEMENT APPROACH</b>						
GRI 103-1	Explanation of the material topic and its boundaries	Materiality assessment	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		
<b>GRI 200 ECONOMIC</b>						
<b>GRI 201: Economic Performance (2016)</b>						
GRI 103-1	Management approach	Enhanced corporate governance for sustainable development	p. 129	Para 13		
GRI 201-1	Direct economic value generated and distributed	Appendix 2. Key sustainability data	p. 158			1.2. Volume of sales (work, services) 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
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Risks and internal control Climate Risk Management	p. 57 p. 127			

GRI Indicator	Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 201-3	Established benefit plan obligations and other retirement plans	-	RUSAL's employees have an opportunity to join the Trust funds which have been established in various countries. The Company allocates funds for the future pension provision of its employees in a certain proportion of the amount of the salary fund.			
GRI 201-4	Financial assistance received from government	Appendix 2. Key sustainability data	p. 158			
<b>GRI 202: Market Presence (2016)</b>						
GRI 103	Management approach	Employees	p. 74	Para 13, Aspect B1		
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Motivation and remuneration	p. 82		PS 10.7	
		Appendix 2. Key sustainability data	p. 167, 168			
GRI 202-2	Share of senior management hired from the local community	Personnel structure	p. 77			
		Appendix 2. Key sustainability data	p. 168			
<b>GRI 203: Indirect Economic Impacts (2016)</b>						
GRI 103	Management approach	Developing local communities	p. 108	Aspect B8, Para 13	PS 2.3	
GRI 203-1	Infrastructure investments and services supported	Development of local communities in Russia	p. 108, 109	KPI B8.1, B8.2		
		Development of local communities outside of Russia	p. 114			
GRI 203-2	Significant indirect economic impacts	Health protection	p. 99	KPI B8.1, B8.2		
		Management approach	p. 103, 105			
<b>GRI 204: Procurement Practices (2016)</b>						
GRI 103	Management approach	Procurement of raw materials and supplies to produce core products	p. 145	Aspect B5		

GRI Indicator	Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 204-1	Share of spending on local suppliers	Procurement of raw materials and supplies to produce core products	p. 147	KPI B5.1		
		Appendix 2. Key sustainability data	p. 174			
<b>GRI 205: Anti-corruption (2016)</b>						
GRI 103	Management approach	Anti-corruption	p. 134	Aspect B7; Para 13; KPI B7.2	PS 1.2	
GRI 205-1	Operations assessed for corruption-related risks	-	Corruption risks are incorporated into the Company's Risk Map, and corruption risk assessments are conducted at all the Company's business units. In 2021, the Company identified no materialised risks.			
GRI 205-2	Communication and training about anti-corruption policies and procedures	Appendix 2. Key sustainability data	p. 173	Aspect B7, KPI B7.3		Disclosed data on the number of employees trained in anti-corruption policies.
			In 2021, the Company did not train the Board members in anti-corruption practices.			
GRI 205-3	Confirmed incidents of corruption and actions taken	Anti-corruption	p. 134	Aspect B7, KPI B7.1		
<b>GRI 300 ENVIRONMENTAL</b>						
<b>GRI 302: Energy (2016)</b>						
GRI 103	Management approach	Climate change and energy	p. 54	Aspect A2, KPI A2.3, A3.1, Para 13	PS 2.1; 2.3	
GRI 302-1	Energy consumption within the organisation	Energy efficiency	p. 70	KPI A2.1	PS 5.1	The Company's consumption of renewable energy is negligible for disclosure purposes.
		Appendix 2. Key sustainability data	p. 153			
GRI 302-3	Energy intensity	Appendix 2. Key sustainability data	p. 163			
GRI 302-4	Reduction of energy consumption	Energy efficiency	p. 70	KPI A2.3		
<b>GRI 303: Water and Effluents (2018)</b>						
GRI 103	Management approach	Management approach	p. 35	Aspect A2, Para 13	PS 2.1; 2.3, 7.2	
		Water resources				

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information	
GRI 303-1	Interactions with water as a shared resource	Water resources	p. 35			PS 7.1	KPI A2.2 disclosed without mentioning specific indicator.	
GRI 303-2	Management of water discharge-related impacts	Water resources	p. 35		KPI A3.1	PS 6.2		
GRI 303-3	Water withdrawal	Water resources	p. 35		KPI A2.4	PS 7.1; 7.3		
		Water management effectiveness	p. 36-37					
GRI 303-4	Water discharges	Water resources	p. 35	2.7. Wastewater effluents		PS 6.2		
		Water management effectiveness	p. 38	2.7.2. Pollutant effluents				
		Appendix 2. Key sustainability data	p. 168					
GRI 303-5	Water consumption	Water resources	p. 35	2.3. Freshwater consumption for own use	KPI A2.2	PS 7.1; 7.3	KPI A2.2 disclosed without mentioning specific indicator.	
		Water management effectiveness	p. 36	2.3.1. Water consumption per unit of production				
		Appendix 2. Key sustainability data	p. 173	2.4. Share of recycled water consumption in total water consumption for own use				
<b>GRI 304: Biodiversity (2016)</b>								
GRI 103	Management approach	Management approach	p. 49		Aspect A3; KPI A3.1; Para 13	PS 2.1; 2.3, 8.2	KPI A3.1 disclosed only in terms of the impact on water resources.	
		Biodiversity	p. 49					
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity	p. 50			PS 8.4		
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity	p. 50		KPI A3.1	PS 8.1		
GRI 304-3	Habitats protected or restored	Biodiversity	p. 51			PS 8.5	The Company did not request independent external professionals in the approval of this indicator.	

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity	p. 51 The Company, in its activities for the conservation of biodiversity, prevents the accidental or intentional introduction of alien species that can have a significant adverse impact on biodiversity.		KPI A3.1	PS 8.3	
<b>GRI 305: Emissions (2016)</b>							
GRI 103	Management approach	Management approach	p. 44		Aspect A1, A3; KPI A1.5, A3.1; Para 13	PS 2.1, 2.3, 4.1, 5.3	
		Climate change and energy	p. 54				
GRI 305-1	Direct (Scope 1) GHG emissions	Climate strategy Appendix 2. Key sustainability data	p. 67 p. 162	2.5. Greenhouse gas emissions	KPI A1.1, A1.2	PS 5.1	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Climate strategy	p. 67	2.5. Greenhouse gas emissions	KPI A1.1, A1.2	PS 5.1	
		Appendix 2. Key sustainability data	p. 162				
GRI 305-3	Other indirect (Scope 3) GHG emissions	Climate strategy	p. 67		KPI A1.1, A1.2	PS 5.1	
		The indicator (scope 3) includes greenhouse gas emissions from the production of purchased fuels and raw materials.					
GRI 305-4	GHG emissions intensity	Climate strategy	p. 67		KPI A1.2	PS 5.3	
GRI 305-5	Reduction of GHG emissions	Climate strategy	p. 66				
GRI 305-6	Emissions of ozone-depleting substances (ODS)	-	There are no emissions of ODS.				
GRI 305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Air emissions Appendix 2. Key sustainability data	p. 45	2.6. Pollutant atmospheric emissions 2.6.1. Emissions per unit of production	KPI A1.1 KPI A1.5	PS 6.1	

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
<b>GRI 306 Waste (2020)</b>							
GRI 103	Management approach	Management approach (Environmental protection) Waste management	p. 39		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 KPI A3.1 disclosed only in terms of the impact on water resources.
GRI 306-1	Waste generation and significant waste-related impacts	Waste management	p. 39		KPI A1.3, KPI A1.4	PS 6.5	
GRI 306-2	Management of significant waste-related impacts	Waste management	p. 39–40				
GRI 306-3	Waste generated	Waste management effectiveness Appendix 2. Key sustainability data	p. 42 p. 160				
GRI 306-4	Waste diverted from disposal	Waste management Appendix 2. Key sustainability data	p. 42 p. 160				
GRI 306-5	Waste directed to disposal	Waste management effectiveness Appendix 2. Key sustainability data	p. 42 p. 160				
<b>GRI 307: Environmental Compliance (2016)</b>							
GRI 103	Management approach	Management approach	p. 30		Para 13	PS 1.1	
GRI 307-1	Non-compliance with environmental laws and regulations	Management approach Appendix 2. Key sustainability data	p. 34 p. 159	2.9. Number of significant emergencies with environmental impact 2.10. Recovered environmental damage	Aspect A1	PS 3.2	
<b>GRI 308: Supplier Environmental Assessment (2016)</b>							
GRI 103	Management approach	Supplier audit and qualification	p. 148		Para 13; Aspect B5; KPI B5.2		
GRI 308-1	New suppliers that were screened using environmental criteria	Supplier audit and qualification	p. 148		KPI B5.2		

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
<b>GRI 400 SOCIAL</b>							
<b>GRI 401: Employment (2016)</b>							
GRI 103	Management approach	Employees	p. 74		Aspect B1; Para 13	PS 2.1, 2.3	
GRI 401-1	New employee hires and employee turnover	Personnel structure Appendix 2. Key sustainability data	p. 76 p. 164	3.1.1. Total workforce by region 3.1.2 Employee turnover	KPI B1.2		KPI B1.2 disclosed without breakdown by region and age due to the specifics of information collection of the Company.
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Motivation and remuneration	p. 83 RUSAL provides the same social package to all employees working on a full-time, temporary or part-time basis.		Aspect B1		
<b>GRI 403: Occupational Health and Safety (2018)</b>							
GRI 103	Management approach	Health and Safety	p. 92		Aspect B2; KPI B2.3; Para 13	PS 2.1; 2.3; 11.1	
GRI 403-1	Occupational health and safety management system	Management approach	p. 94		Aspect B2 KPI B2.3	PS 11.1, 11.2	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Enhancing the safety culture Risk Identification and Management	p. 95 p. 95				
GRI 403-3	Occupational health services	RUSAL medical services	p. 99		KPI B2.3		
GRI 403-4	Worker participation, consultations, and communication on occupational health and safety	Enhancing the safety culture	p. 95		KPI B2.3		
GRI 403-5	Worker training on occupational health and safety	Training	p. 98		KPI B2.3		
GRI 403-6	Promotion of worker health	RUSAL medical services	p. 99		KPI B2.3		
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Emergency preparedness	p. 101		KPI B2.3		

GRI Indicator	Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information	
GRI 403-8	Workers covered by an occupational health and safety management system	Management approach Appendix 2. Key sustainability data	p. 94 p. 170				
	Work-related injuries	Performance results Appendix 2. Key sustainability data	p. 97 p. 170	3.1.5. Rate of occupational injuries 3.1.6. Number of work-related fatalities	KPI B2.1; KPI B2.2	PS 11.4	The LTIFR rates for contractors are not disclosed. The Company currently does not collect such data. Data on occupational injuries does not include data on employees whose work and / or workplace is not controlled by the organisation. The data also does not include the number of working hours and the number of injuries used to calculate the LTIFR.
GRI 403-9	Work-related ill health	RUSAL medical services Appendix 2. Key sustainability data	p. 100 p. 170	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 such data.
<b>GRI 404: Training and Education (2016)</b>							
GRI 103	Management approach	Training and development	p. 84		Aspect B3; Para 13	PS 2.1	
GRI 404-1	Average hours of training per year per employee	Appendix 2. Key sustainability data	p. 170	3.1.10. Number of training hours per employee			
GRI 404-2	Programmes for upgrading employee skills and transition assistance	Training and development	p. 84		Aspect B3		
<b>GRI 405: Diversity and Equal Opportunity (2016)</b>							
GRI 103	Management approach	Employees	p. 74		Aspect B1; Para 13	PS 9.2, 10.4	
		Personnel structure	p. 75				
GRI 405-1	Diversity of governance bodies and employees	Human rights	p. 88				
		Personnel structure	p. 75	3.1.12. Participation of women in management bodies	KPI B1.1		
		Corporate governance structure and composition	p. 121				
		Appendix 2. Key sustainability data	p. 165				

GRI Indicator	Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 405-2	Ratio of basic salary and remuneration of women to men	Motivation and remuneration	p. 81			
		Appendix 2. Key sustainability data	p. 168			
<b>GRI 406: Non-discrimination (2016)</b>						
GRI 103	Management approach	Human rights	p. 88			
GRI 406-1	Incidents of discrimination and corrective actions taken	Human rights	p. 90			
<b>GRI 407: Freedom of Association and Collective Bargaining (2016)</b>						
GRI 103	Management approach	Human rights	p. 88			
		Sustainable supply chain of raw materials, goods and services	p. 143			
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social partnership	p. 88			
		Supplier management structure	p. 146			
<b>GRI 408: Child Labor (2016)</b>						
GRI 103	Management approach	Human rights	p. 88		Aspect B4; KPI B4.1; KPI B4.2; Para 13	PS 10.2
		Ethics and integrity	p. 133			
		Sustainable supply chain of raw materials, goods and services	p. 143			
GRI 408-1	Operations and suppliers at significant risk of incidents involving child labour	Human rights	p. 88		KPI B4.1; KPI B4.2	
		Supplier management system	p. 145			
<b>GRI 409: Forced or Compulsory Labor (2016)</b>						
GRI 103	Management approach	Human rights	p. 88		Aspect B4; KPI B4.1; KPI B4.2; Para13	PS 10.3
		Ethics and integrity	p. 133			
		Sustainable supply chain of raw materials, goods and services	p. 143			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Human rights	p. 88		KPI B4.1; KPI B4.2	
		Supplier management system	p. 146			
<b>GRI 411: Rights of Indigenous Peoples (2016)</b>						
GRI 103	Management approach	Human rights	p. 88			PS 9.3

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
GRI 411-1	Incidents of violation involving rights of indigenous people	Human rights	p. 90			PS 9.3	
<b>GRI 412: Human Rights Assessment (2016)</b>							
GRI 103	Management approach	Human rights	p. 88		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. 175 All divisions of the Company were covered by an assessment of compliance with human rights.			PS 2.5, 9.1	
<b>GRI 413: Local Communities (2016)</b>							
GRI 103	Management approach	Management approach	p. 103		Aspect B8; Para 13	PS 9.7	
GRI 413-1	Operations with local community engagement, impact assessments, and development programmes	Management approach	p. 103	3.3.1 Interaction with authorities on socially significant matters (social and economic development in the regions of operation)	KPI B8.1, B8.2		
<b>GRI 414: Supplier Social Assessment (2016)</b>							
GRI 103	Management approach	Supplier audit and qualification	p. 148		Aspect B5; KPI B5.2; Para 13		
GRI 414-1	New suppliers screened using social criteria	Supplier audit and qualification	p. 148		KPI B5.2		
GRI 414-2	Negative social impacts in the supply chain and actions taken	Supplier audit and qualification Appendix 2. Key sustainability data	p. 149 p. 174				
<b>GRI 416: Customer Health and Safety (2016)</b>							
GRI 103	Management approach	Sustainable supply chain of raw materials, goods and services	p. 143				
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Interaction with consumers	p. 151				
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Interaction with consumers	p. 151				

GRI Indicator		Cross-reference	Page number/ Comments, or additional information	RSPP basic performance indicators	HKEX	ASI	Excluded information
<b>GRI 417: Marketing and Labeling (2016)</b>							
GRI 103	Management approach	Sustainable supply chain of raw materials, goods and services	p. 143		Para 13		
GRI 417-1	Requirements for product and service information and labelling	Interaction with consumers	p. 152	3.4.1. Information and labeling		KPI B6.5	
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	Interaction with consumers Appendix 2. Key sustainability data	p. 152 p. 175	3.4.2. Product quality management		Aspect B6	
<b>GRI 419: Socioeconomic Compliance (2016)</b>							
GRI 103	Management approach	Developing local communities	p. 103		Para 13	PS 1.3	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	-	During the reporting period the Company received no significant fines or sanctions for non-compliance with laws and regulations on social matters.			PS 1.1; 3.2	
<b>GRI Mining and Metals Sector Supplement</b>							
GRI MM1	Amount of land (owned or leased) used for production activities, disturbed, or reclaimed	Land resources	p. 48				
GRI MM3	Total amounts of overburden, rock, tailings, and sludge and associated risks	Waste management Land resources Appendix 2. Key sustainability data	p. 42 p. 48 pp. 161-162				
GRI MM9	Sites where re-settlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	Development of infrastructure and urban environment	p. 113			PS 9.6	



## Appendix 4. SASB Content Index

Indicator	Section name	Additional information	Page	
<b>GHG emissions</b>				
EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Climate strategy	According to regulations, European assets of The Group in Ireland and Sweden are subjects to European requirements.	p. 67
EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Climate strategy		p. 65
<b>Air quality</b>				
EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	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. 45
<b>Energy management</b>				
EM-MM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Energy efficiency Appendix 2. Key sustainability data	The share of renewable fuels is insignificant.	p. 71
<b>Water management</b>				
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	Water resources Appendix 2. Key sustainability data		p. 35
EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	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. 35
<b>Waste and Hazardous Materials Management</b>				
EM-MM-150a.4	Total weight of non-mineral waste generated	Waste management		p. 42

Indicator	Section name	Additional information	Page	
EM-MM-150a.5	Total weight of tailings produced	Waste management Appendix 2. Key sustainability data	Tailings waste is not generated in the production processes of RUSAL enterprises, therefore, tailings waste is presented in the form of data on red and nepheline sludge from alumina enterprises generated in the reporting period.	p. 42 p. 161
EM-MM-150a.6	Total weight of waste rock generated		Waste rock is not formed in the production processes of the enterprises of the Metals segment.	
EM-MM-150a.7	Total weight of hazardous waste generated	Waste management Appendix 2. Key sustainability data		p. 42 p. 161
EM-MM-150a.8	Total weight of hazardous waste recycled	Waste management Appendix 2. Key sustainability data		p. 42 p. 161
EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	-	There were no significant incidents involving hazardous materials and waste management during the reporting period.	
EM-MM-150a.10	Description of waste and hazardous materials management policies and procedures for active and inactive operations	Waste management		p. 39
<b>Impacts on biodiversity</b>				
EM-MM-160a.1	Description of environmental management policies and practices for active sites	Environmental protection Biodiversity		p. 49
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	Biodiversity	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.	

Indicator	Section name	Additional information	Page	
<b>Security, human rights and rights of indigenous peoples</b>				
EM-MM-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Sustainable supply chain of raw materials, goods and services	RISAL affirms 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 En+. 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. 146
EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	-	The Company does not carry out its activities in or near land of indigenous minorities.	
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	Human rights Developing local communities		p. 90 p. 103-107
<b>Interaction with local communities</b>				
EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Developing local communities		p. 103-105
EM-MM-210b.2	Number and duration of non-technical delays	-	There were no recorded facts of non-technical delays in the reporting period.	
<b>Labour relations</b>				
EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements	Employees Social partnership Appendix 2. Key sustainability data.		p. 88 p. 165
EM-MM-310a.2	Number and duration of strikes and mass layoffs	Social partnership		p. 88
<b>Workforce health and safety</b>				
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.	Contractor training data is not disclosed due to the lack of a process for accounting for this information.	p. 170

Indicator	Section name	Additional information	Page	
<b>Business ethics and transparency</b>				
EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	Anti-corruption		p. 134
EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	-	There is no production in these countries.	
<b>Tailings storage facilities management</b>				
EM-MM-540a.1	Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRP	-	Tailings waste is not generated in the production processes of RUSAL enterprises, therefore, tailings waste is presented in the form of data on red and nipheline sludge from alumina enterprises generated in the reporting period.	
EM-MM-540a.2	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	-	Tailings waste is not generated in the production processes of RUSAL enterprises, therefore, tailings waste is presented in the form of data on red and nipheline sludge from alumina enterprises generated in the reporting period.	
EM-MM-540a.3	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	-	Tailings waste is not generated in the production processes of RUSAL enterprises, therefore, tailings waste is presented in the form of data on red and nipheline sludge from alumina enterprises generated in the reporting period.	
<b>General performance indicators</b>				
EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	Appendix 2. Key sustainability data		p. 158
EM-MM-000.B	Total number of employees, percentage contractors	Personnel structure Appendix 2. Key sustainability data		p. 75

## 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 organisation 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
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
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
GCS	Gas Cleaning System
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
SCDCEM	Scientific Clinical and Diagnostic Centre of Epidemiology and Microbiology
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

## Appendix 6. External assurance

GRI 102-56



Совершенствуя бизнес,  
улучшаем мир

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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 the UC RUSAL Sustainability Report (hereinafter "the Report") as of 31 December 2021 or for 2021 (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;
- ▶ Statements of third parties included in the Report;
- ▶ Correspondence between the Report and 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.

**Applicable criteria**

In preparing the Report the Company applied Global Reporting Initiative Sustainability Reporting Standards (hereinafter "GRI Standards") in Core option, Sustainability Accounting Standards Board standards (hereinafter "SASB standards") and the sustainability reporting principles of the Company as set forth in the Section "Appendix 1. About the Present 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.

**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.

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A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Report and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Inquiries of the representatives of the Company management and specialists responsible for its sustainability policies, activities, performance and relevant reporting;
- ▶ Analysis of key documents related to the Company sustainability policies, activities, performance and relevant reporting;
- ▶ Obtaining understanding of the process used to prepare the information on sustainability performance indicators of the Company;
- ▶ Analysis of the Company stakeholder engagement activities reviewing the results of the stakeholder survey;
- ▶ Analysis of material sustainability issues identified by the Company;
- ▶ 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 procurement indicators for the reporting period, to assess whether these data have been collected, prepared, collated and reported appropriately;

- ▶ Interview managers and executives responsible for human resources, environmental protection, health and safety of RUSAL Kamensk-Uralsky branch RUSAL URAL JSC and gather 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 head-quarter 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 and Metals and Mining Sustainability Accounting Standard prepared by SASB Standards Board (version 2021-12).

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  
TSATR - Audit Services Limited Liability Company

30 May 2022

#### Details of the independent practitioner

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TSATR - Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

#### Details of the entity

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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.