

A message from the CEO

Dear shareholders, partners and colleagues!

It gives me great pleasure to present you with UC RUSAL's eighth Sustainability Report prepared in accordance with the requirements of the GRI 3.1 Guidelines and the principles of the United Nations Global Compact.

In 2013, the aluminium industry continued to operate in exceptionally tough market conditions. During the reporting period the Company focused its main efforts on increasing net operating margins whilst controlling costs. One of key steps in our activities was a programme to cut production volumes at the least efficient aluminium smelters. This enabled us to reduce the cost of our products, which will in the medium term help increase the Company's overall effectiveness.

Measures taken in the current reporting period to further develop RUSAL's business system played an important role in the sustainable development of the Company's business during a time of wider economic turbulence. Continuous improvements to internal production processes, identifying and eliminating production and organisational losses, and the professional development of staff all helped us achieve our goal of complying to the best of our ability with the growing expectations and requirements of our clients.

The Company also focussed on taking care of our staff, protection of the environment, and the development of local communities in 2013. Any changes aimed at increasing business efficiency cannot be considered successful if employee interests are not considered at the same time. Highly qualified staff are a key asset to running a successful business during challenging economic times. Consequently, as part of a programme to overhaul inefficient capacities, all necessary measures were taken to retain the best employees. In particular, any employees who were discharged were offered alternative jobs at the Company or at Basic Element Group, and were also given the opportunity to re-train in other areas.

In its production activities, health and safety remains a key priority for the Company. RUSAL endeavours to do all it can to ensure the highest level and reliability of production systems and to guarantee a safe environment for all personnel.

Significant attention was also paid in the reporting period to environmental issues. A reduction in production volumes and the mothballing of inefficient production capacities enabled the Company to reduce emissions of pollutants into the atmosphere by 10% compared to 2010. In addition, the Company came very close to attaining its long-term goal of reducing greenhouse gas emissions by 50% by 2015, cutting them by 49% in the reporting period compared to the 1990 base period.

In 2013, the Company also supported and facilitated the development of initiatives of local communities in the regions where it operates. Social investments made it possible to make a substantial contribution to developing the social infrastructure of these regions. The implementation of innovative approaches and technologies, which helped enlist new groups of active local community representatives and to get new partners involved in social activities, was a natural continuation of the Company's activities related to facilitating the sustainable socio-economic development of the regions where it operates.

In 2013, we continued to work actively with stakeholders, regularly organising meetings and participating in public hearings. This Report represents one component of that work.

In 2014, the Company will focus on retaining its leading position in the sector whilst achieving optimal results in the area of sustainable development.