



РУСАЛ

THE HOUSE WHICH RUSAL HAS BUILT

By Victoria Petrova,
Deputy CEO, HR, RUSAL

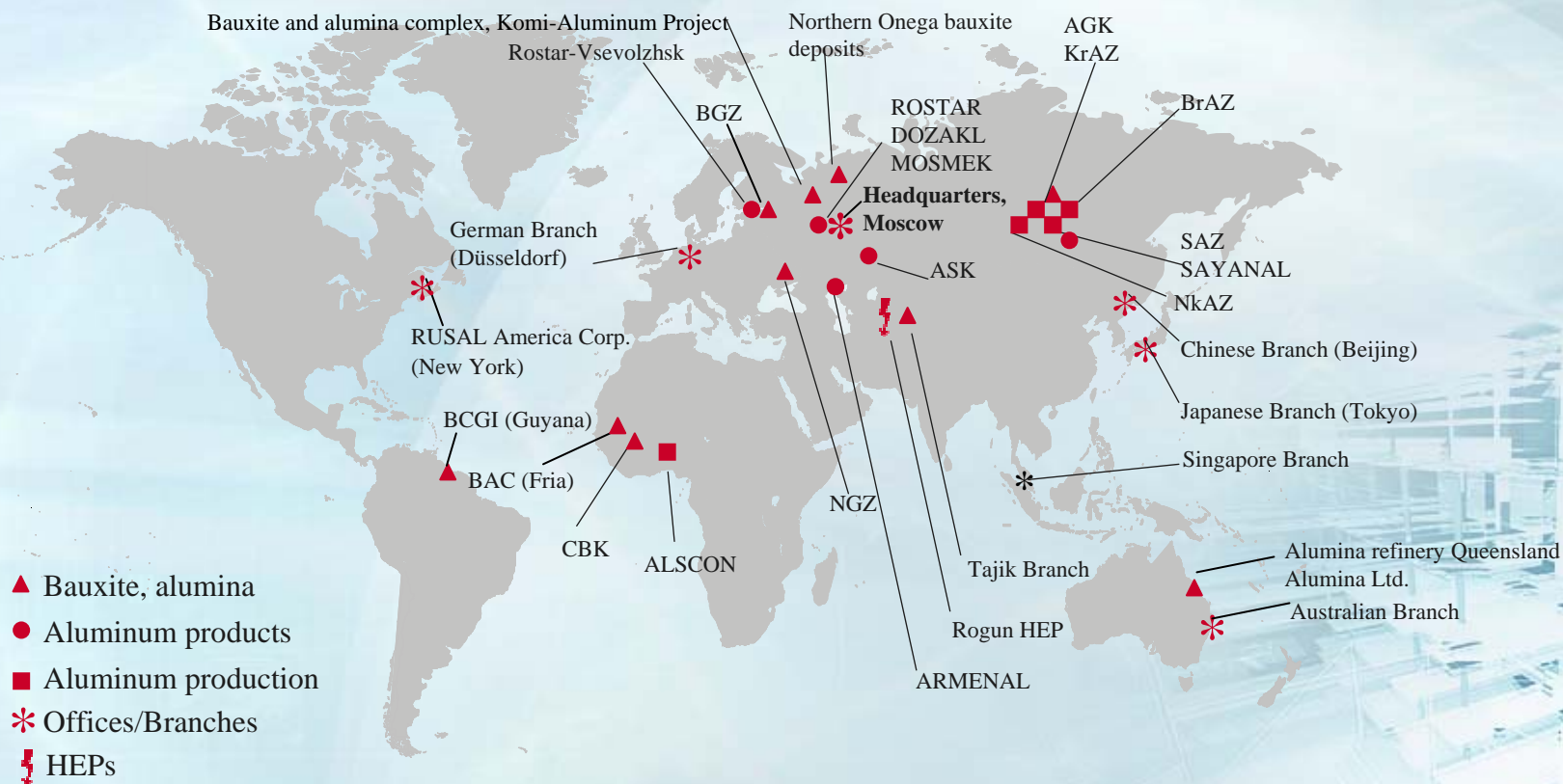
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- №3 in world aluminium production
- №1 in Russia
- 10% of the world market
- 2.7 million tonnes of aluminium
- \$6.1 billion US dollars sales revenue
- \$2+ billion US dollars of investments in 2006
- 50 thousand employees



We have our locations in 13 countries of the world and 9 regions of Russia, our products are exported to 50 different countries



- **Large post-Soviet organisation**
- **City-forming enterprises' burden**
- **Personnel redundancy (9 times more managerial and operating staff than in the West)***
- **Low motivation or its absence**
- **“Clan” – closed group**
- **Corruption or embezzlement**

**According to the Accenture company research, carried out by the RUSAL's order in 2000*





We wish to build a dream home named RUSAL

- ✓ **We wish to become the worlds number one aluminium company:**
 - ✓ Aluminium production volume - 5 million tonnes
 - ✓ Alumina production volume - 8 million tonnes
 - ✓ One of the most efficient companies in the World for cost level
- ✓ **Double increase of the operating capacity**
- ✓ **To become a company where people strive to work**
 - ✓ High quality business environment/comfortable conditions of work
 - ✓ Attractive salary/deserved social insurance
 - ✓ Vocational development opportunities
- ✓ **The mission and aims are clear to every employee/transmitted and shared by the team**



RUSAL employee's ideal portrait:

- ✓ Esprit de corps (loyalty)
- ✓ Professionalism
- ✓ Effective communication and interaction
- ✓ Decision making (responsibility)
- ✓ Achievements' motivation (initiative)
- ✓ Leadership
- ✓ Control of the execution of work
- ✓ Change of management
- ✓ Strategic approach



Comprehension of whom we start construction with:

➤ Independent investigation of the corporate culture

- 13 % of loyal-minded employees
- 15 % of employees are not loyal to the company
- average age of disloyal employees is 30-40 years old
- are not susceptible to changes



How will we build and who do we need?

What do we hire in the market?

- ✓ Professionalism
- ✓ Effective communication and interaction
- ✓ Decision making (responsibility)
- ✓ Achievements' motivation (initiative)
- ✓ Leadership
- ✓ Strategic approach

What do we develop inside?

- ✓ Esprit de corps (loyalty)
- ✓ Professionalism
- ✓ Effective communication and interaction
- ✓ Decision making (responsibility)
- ✓ Leadership
- ✓ Control of the execution of work
- ✓ Change of management



Defining of the values:

Our first Code of corporative ethics

- ✓ **Broad masses involving**
 - ✓ 18 000 employees have proposed amendments
 - ✓ 4000 employees have participated in the round-table discussions and gone through courses in the process of the Code adoption
- ✓ **Start**
 - ✓ 40 ethic commissioners
 - ✓ Central Ethics Committee
 - ✓ Code publication in the corporative weekly publication and its placing in the inner local net
 - ✓ Code spreading throughout the company (it is being planned)



Forming of the system where people are in the centre

Brigade-leader choosing:

- ✓ **Instructor, but not supervisor**
 - ✓ Foremen lead the employees' groups
 - ✓ Sufficient powers to appraise, reward and reprimand
- ✓ **Work quality appraisal**
 - ✓ Yearly graded employees' appraisal during individual meetings
 - ✓ Clearly specified strategic aims, planning of individual development
 - ✓ Self-appraisal
 - ✓ Salary increase and bonuses on the basis of the appraisal



Creating homeliness:

- ✓ Creating of the high-quality business environment
 - ✓ From the company strategy to the individual aims
 - ✓ Development of the corporative communications' system (*Vestnik RUSALa, Nash journal, Corporative radio station, news in the Intranet portal*)
 - ✓ Creating of the system of joint decision making
- ✓ Personnel involving in the continuous improvements program
- ✓ Creation of the information centres
- ✓ Corporate policy in the domain of health, safety and environment
- ✓ Work place standardisation
- ✓ Creation of the career planning system



RUSAL gold reserves

- ✓ Unique managers' and administrators' base
- ✓ Intensive program of training and career planning
- ✓ The only requirement is higher education and desire to participate in the program
- ✓ 300 participants (from 700 interested people) were chosen after tests and structured interviews
- ✓ 15-25% are promoted as a result of participation in the program every year



Professional orientation



Vocational training



Higher education



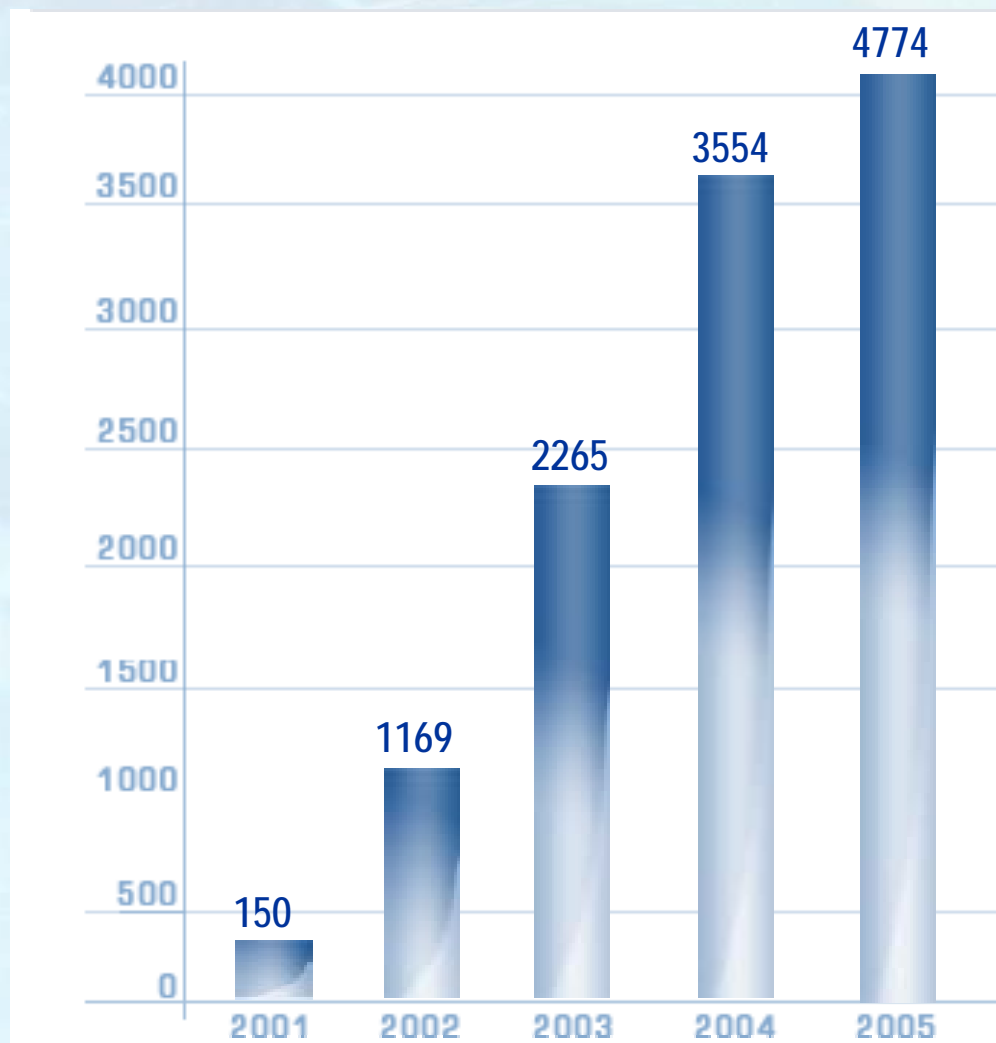
Skill raising



Individual training programs



First system of e-learning in Russia



- ✓ Economically efficient program of personnel development
- ✓ Introduced in December, 2000
- ✓ Easy access from every corporate PC
- ✓ 103 courses of distance training
- ✓ 4000 hours of planned studying time
- ✓ More than 5700 training certificates

New motivation system and the encouragement of talent

- ✓ “Encouragement contest” for industrial personnel and managers of different areas
- ✓ 21 nominations for categories
- ✓ Self-nomination and nomination by direct managers
- ✓ Scope: 14 plants and 1200 separate participants in 2004
- ✓ Vocational knowledge, skills and personal efficiency are the key categories
- ✓ 87 prize-winners
- ✓ Valuable prizes and monetary awards totalling more than 135000 US dollars



Programs, directed to the rising generation

The company started implementation of the “through” vocational guidance on the basis of the following:

- ✓ School (including creation of specialised classes).
- ✓ College with practice experience at the enterprises.
- ✓ Job placement in the RUSAL enterprises

as well as:

Children’s committees are created in 6 regions: development of the active vital ground and participation in socially beneficial initiatives

Creation of the corporate children’s camp with the development program “Expedition to planet RUSAL”: in 2005 - 2800 children from 7 to 15 years old



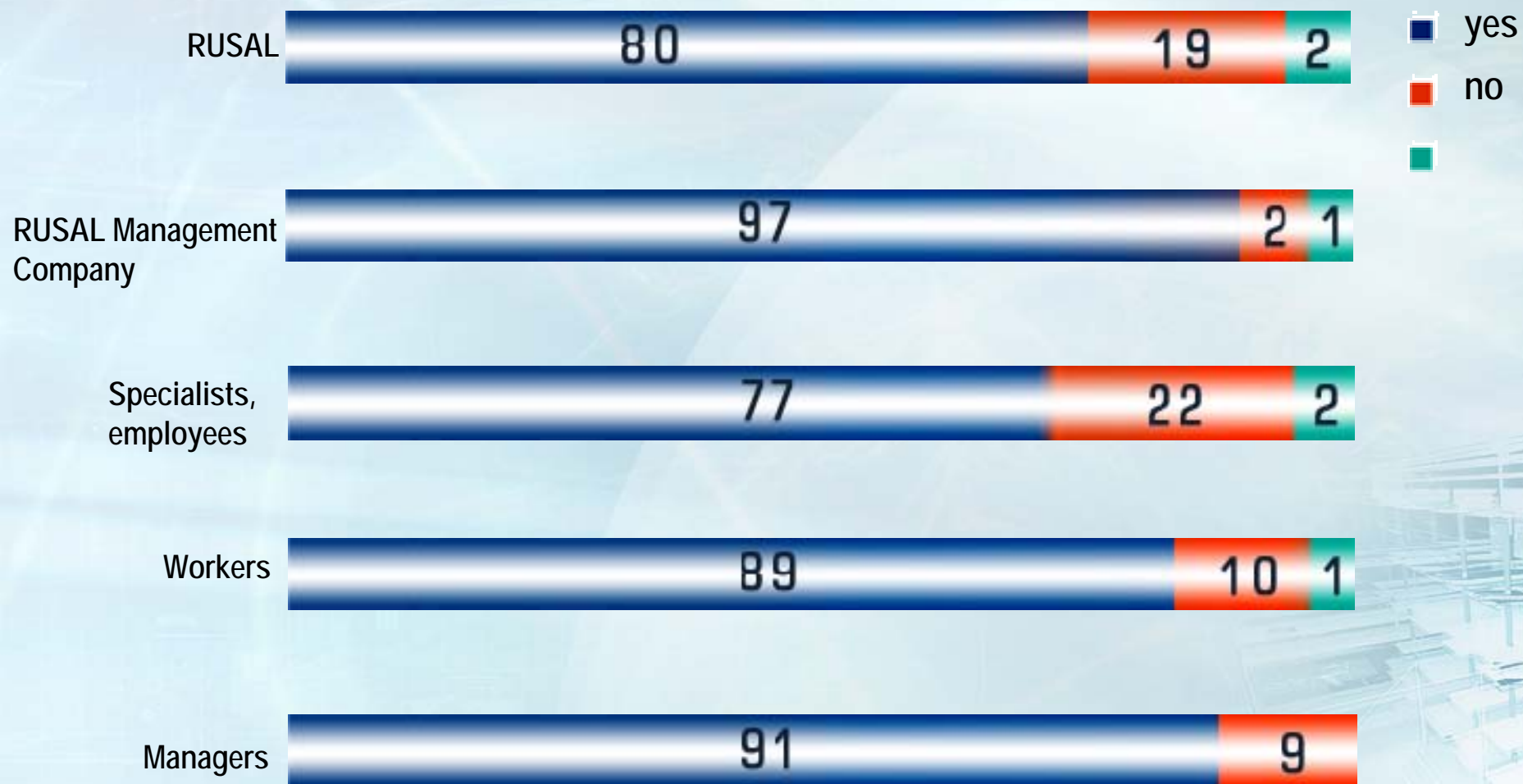
Employee's health:

- Organisation of the corporate centre of preventive medicine
- Creating of the shop medical service – program of prophylaxis of occupational illnesses and information on healthy living
- Standard package of medical services of the corporate health insurance
- Creation of the corporate catalogue and provision of employees with work clothes and high-quality Personal Protective Equipment
- Policy development and personnel training in the principles of prophylaxis of occupational illnesses



What have we built: loyalty growth?

Do you like to work in the company?



What have we built: production capacity increase?





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Striving to carry out our vision is to build our dream house

RUSAL is the company where people strive to work. The basis of our work with the personnel is the partnership between the employer and the employees, where the expectations, obligations and responsibility are united.

