

Appendix

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Order of ООО Irkutsk
Polymer Plant
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ИРКУТСКИЙ ЗАВОД ПОЛИМЕРОВ

ENVIRONMENTAL

AND SOCIAL SUSTAINABILITY POLICY

ПЛ.01.18.ИЗП

Revision 1

Document Datasheet

Process	-
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Developer (full name, title)	Director of OOO Irkutsk Polymer Plant
Person in charge of updating (title)	Director of OOO Irkutsk Polymer Plant E. A. Vaulina
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Information about previous document revisions

Revision No.	Summary of amendments as compared to the previous revision

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1. General Provisions

1.1 Purpose of the document

- 1.1.1 This Policy reflects environmental and social goals written by the top management of OOO Irkutsk Polymer Plant, that should be followed by all participants of the Irkutsk Polymer Plant construction and commissioning project to ensure sustainable environmental and social performance.
- 1.1.2 The Policy is developed to meet the requirements of para. 6, IFC PS1 “Assessment and Management of Environmental and Social Risks and Impacts”.
- 1.1.3 The Policy is developed for the period of Project implementation and subject to revision after commissioning of the Plant.

1.2 Terms and definitions

Term	Definition
Top management	Individual or group of people who execute management and administration of the organization at the highest level
Stakeholder	Any person or organization interested in or affected by the Project
Affected communities	People or communities whose environment, infrastructure, lifestyle, personal safety, health or livelihood subject to negative impact related to the Project
Policy	Intentions and direction of the organization formalized by its top management
Environmental and social management system	Management system used to manage environmental and social risks and impacts as well as to fulfil the commitments undertaken, including commitments of the Environmental and Social Sustainability Policy

1.3 Abbreviations and Designations

Abbreviation	Meaning
IFC	International Finance Corporation
OOO Irkutsk Polymer Plant, Plant	OOO Irkutsk Polymer Plant
OOO Irkutsk Oil Company	OOO Irkutsk Oil Company
Policy	Environmental and Social Sustainability Policy

Project	Irkutsk Polymer Plant construction and commissioning project
ESMS	Environmental and social management system

1.4 Regulatory references

Document ID	Document name
IFC PS1	IFC Performance Standard 1 “Assessment and Management of Environmental and Social Risks and Impacts”

Note. When using this document, it is advisable to check the validity of reference documents according to relevant directories dawn up as of January 1 of the current year and to information directories published in the current year. If a reference document has been substituted (amended), the substituting (amended) document shall be followed when using this standard. If a reference document has been cancelled with no substitution, the document, which contains a reference thereto, shall apply to the extent, which excludes this reference.

2 General Information

- 2.1 The documented Environmental and Social Sustainability Policy is one of the main methods of demonstrating leadership and commitment of OOO Irkutsk Polymer Plant top management in sustainable development.
- 2.2 Environmental and Social Sustainability Policy allows for the employees of OOO Irkutsk Polymer Plant and all stakeholders to gain a clearer understanding of attitude of OOO Irkutsk Polymer Plant top management towards the sustainable development.
- 2.3 Environmental and Social Sustainability Policy is closely linked to the development strategy of OOO Irkutsk Polymer Plant as subsidiary of OOO Irkutsk Oil Company and creates the basis for the creation of targets in the field of environmental and social sustainability.
- 2.4 Environmental and Social Sustainability Policy is formalized and managed as internal regulatory document of OOO Irkutsk Polymer Plant.
- 2.5 Environmental and Social Sustainability Policy is posted on the corporate portal and brought to the attention of OOO Irkutsk Polymer Plant employees through briefing sessions, meetings, training by posting the Policy text on information boards and through other established internal communication channels.
- 2.6 Bringing the Environmental and Social Sustainability Policy to the attention of contracting organizations involved in the Project implementation is ensured through the inclusion of the Policy text in the contract with the contracting organization (conclusion of a supplementary agreement to the contract) as part of the briefing sessions, during the meetings.
- 2.7 Availability of the Environmental and Social Sustainability Policy to the public is ensured by posting it on the official website of OOO Irkutsk Oil Company on the Internet (www.irkutskoil.ru) during hearings and meetings with affected communities.
- 2.8 The Policy is taken into account in designing the Environmental and Social Management Program and Project Risk and Impact Management Plan.
- 2.9 Compliance with the Policy requirements (including those related to the activities of contracting and subcontracting organizations participating in the Project implementation) is monitored through internal audits of ESMS.

- 2.10 The relevance of the Policy and its applicability to the Project is assessed periodically as part of ESMS functioning by top management. If necessary, changes to the Policy are made by issuing the next version.

3 Policy Content

- 3.1 OOO Irkutsk Polymer Plant, being a subsidiary of OOO Irkutsk Oil Company, fully shares the Mission of OOO Irkutsk Oil Company “We live on this land and work to make the mineral resources of Eastern Siberia stand for the worthy present and sustainable future for the region and its people. We treat life, human health, and the unique nature of our land with great care” and supports “Environmental, Occupational Health and Safety Policy” adopted by top management of OOO Irkutsk Oil Company.
- 3.2 When planning and implementing the Irkutsk Polymer Plant construction and commissioning project, OOO Irkutsk Polymer Plant initially focused on establishing high-tech enterprise with a high level of environmental safety, minimum consumption of natural resources through the introduction of resource-saving technologies and closed production cycles, maximum use of environmental technologies for preventing the harmful effect on the natural environment and human health.
- 3.3 The construction of Plant is carried out near Ust-Kut, Irkutsk region, by OOO Irkutsk Oil Company as part of the staged implementation of an extensive gas project, including the development of a natural and associated petroleum gas production, treatment, transportation and processing system at their own fields. Companies from Russia, Western Europe and Southeast Asia were engaged to manufacture the equipment.

LUMMUS Technology (USA) is the licensor of pyrolysis package technology.

Linear Low Density Polyethylene/High Density Polyethylene (LLDPE/HDPE) Production Plant is designed on the basis of UNIPOL™ technology. The licensor of this technology is Univation Technologies (USA). During the production of polyethylene, butene-1 produced on a reaction plant is used as a comonomer to receive (synthesize) linear alpha olefins from ethylene with a unit for dehydrating C5+ fraction designed on the basis of AlphaButol technology, which is licensed by the French company Axens.

The production capacity of the Plant will grow up to 650 thousand tons of commercial products per year, the range of production load management equals to 60–110 %. A total of 1500 new jobs will be created at the Plant. The Plant will produce high-density polyethylene and low-density linear polyethylene used to produce a wide range of products in automotive and aircraft industry, space industry, medicine and light industry.

- 3.4 In order to ensure effective management of the Project environmental and social risks and impacts, OOO Irkutsk Polymer Plant has developed, implemented and continuously improves the System of Environmental and Social Management in accordance with the requirements of IFC performance standards.

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- 3.5 The top management of OOO Irkutsk Polymer Plant represented by the Director, has undertaken to ensure compliance with the following principles on the part of all Project participants:
- 3.5.1 Full compliance with legislative and other adopted requirements of stakeholders in the fields of environmental protection, labour relations, occupational safety and health.
 - 3.5.2 Protection of the environment, including prevention of pollution; minimization of the negative impact on the environment caused by any activity during the Project implementation.
 - 3.5.3 Sustainable use of natural and energy resources.
 - 3.5.4 Application of modern technologies for waste management (including those aimed at reuse), treatment of pollutant emissions to the atmosphere and effluent discharges.
 - 3.5.5 Minimizing the use of hazardous chemicals and, in case of their use — full compliance with storage and disposal requirements in accordance with safety data sheets.
 - 3.5.6 Rehabilitation of forest lands and biodiversity, restoration of lands damaged during the Project implementation.
 - 3.5.7 Ensuring healthy and safe working and leisure conditions for workers in order to prevent injuries and deterioration of their health; eliminating hazards and reducing risks in the workplace.
 - 3.5.8 Prevention of accidents and incidents; preparedness of workers and local population to emergency situations.
 - 3.5.9 Record, investigation and bringing information on all incidents occurred during the Project implementation to the attention of stakeholders.
 - 3.5.10 Provision of special clothes, footwear and other personal protective equipment to workers in accordance with the established standards.
 - 3.5.11 Continuous training and awareness-raising of workers in environmental, occupational safety and health; briefing, testing and certification of workers in accordance with legal requirements.

- 3.5.12 Ensuring decent working and living conditions for workers; non-discrimination during recruitment, promotion and remuneration.
- 3.5.13 Prohibition of child labour, forced labour, ensuring the freedom of movement of workers and possibility of voluntary resignation.
- 3.5.14 Consideration of alternative employment options and mitigation of staff redundancy impacts, payment and benefits to redundant workers in accordance with existing legislation.
- 3.5.15 The guaranteed right of workers to form and join professional associations; preventing discrimination against the initiators of professional associations.
- 3.5.16 Establishment of a transparent process for receiving and processing complaints from employees; preventing prosecution of complainants by top management and other employees.
- 3.5.17 Involvement of employees in the identification and assessment of social and environmental risks of the Project, in the development and implementation of measures aimed at their prevention or mitigation of effects.
- 3.5.18 Maintaining a constant dialogue with stakeholders (including affected communities) about the planned and implemented activities through the holding of public conferences, public meetings, publishing materials in mass media and on the website of OOO Irkutsk Oil Company.
- 3.5.19 Ensuring public health and safety when performing all types of works during the Project implementation.
- 3.5.20 Minimizing the impact of all works in the course of the Project implementation and their results on the ecosystems on which the local population depends; provision of adequate compensation in case of impact.
- 3.5.21 Establishment of a transparent process for submitting and processing complaints from the local population and other affected communities on any issues related to the Project implementation.
- 3.5.22 Ensuring an adequate security services for production facilities and workers; minimizing conflict situations between workers, local population and other affected communities.
- 3.5.23 The management of OOO Irkutsk Polymer Plant undertakes to implement this Policy, including allocation of the necessary financial, logistical and human resources and ensure compliance of all Project participants with the Policy.