

**APPENDIX 1****Waste Management Standard Overview****Purpose**

To minimise adverse environmental impact resulting from waste generation, handling and *disposal* and waste management optimisation.

The Company owns waste of Hazard Classes I–V until the ownership is transferred under the terms of the contracts with contractors. Hazardous waste of classes I–IV can be transferred for further handling only under the condition that the receiving party has appropriate license for collection, transportation, treatment, utilization, deactivation, and disposal of such waste.

Who is this for?

- *Environmental Managers and Professionals of Environmental Protection Division*
- *GR Managers*
- *Logistics Manager*
- *Transportation Manager*
- *Asset / Site HSE Managers*
- *Asset / Site HSE Professionals*
- *Waste Management Professionals on Site/Asset*
- *Contract holders*
- *Companies (contractors) responsible for collection, transportation, treatment, utilization, deactivation and disposal of waste under the conditions of effective contracts.*
- *HR Training and Development Department (HSE group)*

What situations are covered?

This document applies to all kinds of waste generated at the sites and facilities resulting from *Sakhalin Energy* activities, including activities undertaken by contractors on behalf of the Company.

Requirements

Environmental Managers and Professionals of Environmental Protection Division are responsible, in accordance with their official job duties, for the following requirements:

1. Review of the Standard
2. Development of waste management procedures
3. Waste management tracking and reporting in accordance with Appendix 11 hereof.
4. Implementation of the inspections in accordance with Appendix 12 hereof
5. Waste management seminars for professionals of Company assets and waste management meetings for stakeholders

GR Managers are responsible for:

6. Company's waste management activity licensing (waste Hazard Classes I–IV)
7. Ensuring the availability of valid waste management permits (hazardous waste certificates, documents on approval of waste generation standards and disposal limits) are available at the Company's Assets
8. Preparation of the annual technical report on waste management for all Company's Assets in order to comply with the approved waste generation standards and disposal limits for waste generated during the reporting period, and submitting it to Rosprirodnadzor
9. Interface with Government regulators in the process of the Government environmental control

**Logistics Manager is responsible for:**

10. Approval of the waste management service providers in accordance with the Qualification Assessment Procedure [1000-S-90-04-P-7104-00-E](#)
11. Contracts for collection, transportation, treatment, utilization, deactivation, and disposal of waste in accordance with the Company's demands and complying with the requirements hereof
12. Interface with regional and local authorities regarding the organisation of disposal, treatment, utilization, and deactivation of Company waste in the region

The Asset/Site HSE Manager / Environmental Professionals on Site/Asset/Waste Management Professionals on Site/Asset are responsible for compliance with the below requirements:

13. **Waste** Management in compliance with:
 - a. Russian Federation law (Appendix 2 hereof), and
 - b. Lender and Shareholder requirements defined in [International Requirements for Waste Management \(Appendix 3 hereof\)](#).
14. **Implement roles and responsibilities** as defined in Document 0000-S-90-04-P-0229-00-E Regulation on Industrial Environmental Control, and ensure that personnel involved in waste management activities gets appropriate [training, inductions, and Personal Protective Equipment](#).
15. Waste handling as per each class in accordance with the Instructions ([1000-S-90-04-P-0215-00-E](#)), which:
 - a. are developed in compliance with the Technical Requirements for [Waste Minimization and Waste Handling Optimization](#);
 - b. provide Waste information including [Waste Hazard Class, Waste Passport, labelling and documentation, hazard description](#), regulatory requirements, approved locations/activities, handling methods, as well as accumulation sites (temporary storage);
 - c. specify minimisation requirements to reduce waste generation at source and waste disposal minimization.
16. Management of waste movements across the sites shall be carried out in compliance with the technical requirements set forth in Appendix 10 hereof.
17. Keeping account of waste by type and hazard class at facilities, including storage of materials, including waste generated during Project execution (including main construction contractors), decommissioning of facilities as well as waste management reporting in accordance with Appendix 11 hereof.
18. Analysis and control of waste management performance.
19. Auditing/participating in audits in accordance with Appendix 12 hereof.
20. Compliance with the waste generation standards and disposal limits, approved by controlling authorities based on the Waste Generation Standards and Disposal Limits Project (WGDLP), developed by the Company in accordance with Manual [1000-S-90-01-M-0062-00-E](#) and Appendix 2 hereof.
 - a. Asset's WGDLP contains information on the business operations and other activities, calculation and justification of the proposed waste generation standards on average for the year; forecast waste generation; areas of waste accumulation; information on the proposed annual transfer of waste to other economic entities for the purpose of their further handling; information on the proposed annual waste use and/or deactivation; the planned waste disposal at independently operated (own) waste disposal facilities; proposals for limits on annual waste disposal; a layout of waste accumulation areas, etc.
 - b. Approved waste generation standards and disposal limits shall be confirmed on an annual basis in a technical report on waste management presenting actual information on use, deactivation, disposal, and transfer to other business entities for the waste generated within the reporting period.



- c. The waste specified in approved waste generation and disposal limits documentation shall be listed in the Company's Waste Register in accordance with Appendix 11. The Waste Register contains references to the Waste Instructions (1000-S-90-04-P-0215-00-E) for each type of waste, which in its turn, contain references to the Hazardous Waste Passports (waste Hazard Classes I–IV).
- 21. Implementation the requirements for minimising the volume of waste generated and disposed; compliance with current waste management rules and regulations.
 - 22. Achieving key performance indicators (KPI) of the Company and the Asset for minimisation of waste generation and disposal in accordance with Appendix 7 hereof.
 - 23. Assuring that Employee responsible for waste management gets appropriate training prior to his/her appointment, and that waste instructions are given before the start of actual hazardous waste management operations.
 - 24. Assuring that Permit to Work for waste handling is granted only to employees passed proper professional training for hazardous waste management and got relevant certificates to carry out such activities.
 - 25. Preparation of Action Plans for elimination of nonconformities identified during the inspections (as per the requirements of Appendix 12 hereof), with the appointment of action parties responsible for closing the non-conformances as well as setting up the deadlines.
Control of the full and timely implementation of corrective actions based on the results of audits and inspections. Submission of action follow up Report basing on the results of audits/inspections conducted by Environmental Protection Division.

Contract holders are responsible for:

- 26. Setting requirements for Contractors regarding adding waste management provisions in the HSE Management Plan in accordance with the Contract (if applicable), including compliance with Russian Federation requirements and the requirements set forth in this Standard.

The Companies (contractors) responsible for collection, transportation, and disposal of waste are responsible for:

- 27. Performing activities in accordance with the requirements of the Contract, the applicable legal requirements of the Russian Federation Law, and the requirements set forth herein.

HR Training and Development Department (HSE Team) is responsible for:

- 28. Professional training / development of employees responsible for waste management, pursuant to HSE&SP and Mandatory Training Standard 0000-S-90-04-O-0026-00-E.

Sakhalin Energy staff and contractors shall refrain from engaging in waste management activities that could result in the unintended acquisition of risk or liability for Sakhalin Energy.