



Russian Content and Employment

Purpose

Comply with Russian Federation Labour legislation and PSA regarding Russian Content and Employment. To preferentially hire workers from local communities given that all other factors are equal. To preferentially purchase goods and services from the Russian Federation.

Who is this for?

- *Managers.*

What situations are covered?

This document applies to all *Sakhalin Energy Assets*¹, *Facilities*, operations, *Projects* and activities.

Requirements

Business Head is **Accountable** for requirements 1 to 8:

1. Project shall comply with all Russian laws with respect to all aspects of employment and hiring.
2. In case of Project Expansion, upgrade, retrofit or reconstruction Sakhalin Energy will work with employment authorities to agree on gathering job applications in case significant supplemental workforce is needed.
3. The company shall ensure the development and implementation of transparent recruitment and hiring procedures, either directly or via contractors, which shall include:
 - Methods to ensure transparent recruitment/ hiring procedures;
 - Methods to ensure that bribes/corruption shall not be accepted/used in hiring;
 - Undertake compliance checks.
4. In case of Project activities related to expansion, reconstruction, retrofit and upgrade in case supplemental workforce/ personnel is needed the company will manage job expectations via provision of information about the available vacancies.
5. In case of Project activities related to expansion, reconstruction, retrofit and upgrade the company shall widely advertise and support the advertising of appropriate training and educational programmes and initiatives where appropriate and practicable.
6. The company, as part of its commitment against PSA requirement to achieve Russian Content of 70% over the life of the project, shall endeavour to identify potential Russian enterprises for the provision of goods and services by means of an extensive Vendor Assessment Programme. This process of identification shall be continued through the following activities:
 - Company to actively seek support from the Russian Party through the Joint Committee in order to identify potential Russian enterprises for the provision of goods and services.
 - Company to maintain a Vendor Registration database in order to maintain up-to-date information on its active and potential Russian vendors.
7. The company has already established a programme to facilitate identification of business opportunities. As part of this effort the company publishes all forthcoming tenders on the company's Internet website and once tenders are identified and agreed depending on the value it is published in the national and local press as appropriate.

¹ Italicized terms in this document are included in the [Sakhalin Energy HSE Glossary](#).



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8. In case of activities associated with expansion, reconstruction, retrofit and upgrade the company shall require its key contractors to implement a plan on maximising Russian Content, and sourcing supplies locally, at the same time avoiding creation of resource shortage in the local communities.