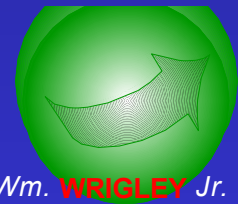


Russia

Environmental, and Safety/Health Management



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Overview



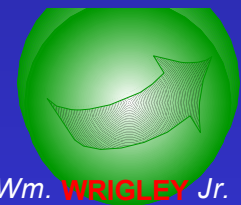
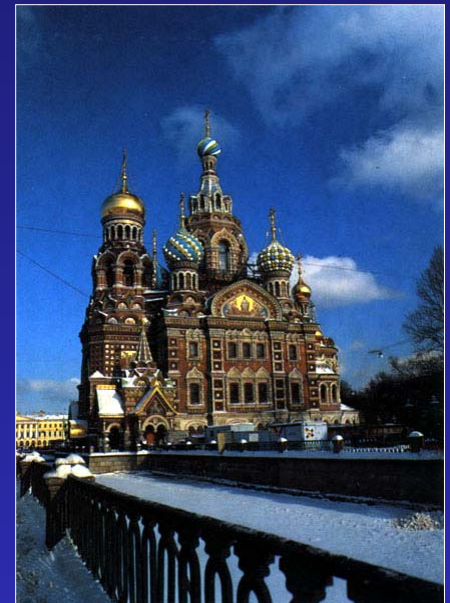
- Area - comparative: **slightly less than 1.8 times the size of the US**
- total: **17,075,200 km², land: 16,995,800 km², water: 79,400 km²**
- Time Zones: **Ten (10)**



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Russia-Overview

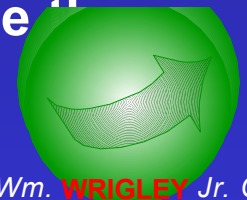
- Largest republic in the Commonwealth of Independent States (CIS)
- Population: 143,782,338 (July 2004 est.) (growth rate -.05%)
- Age structure:
 - 0-14 years: 15% (male 11,064,109; female 10,518,595)
 - 15-64 years: 71.3% (male 49,534,076; female 52,958,107)
 - 65 years and over: 13.7% (male 6,177,580; female 13,529,871) (2004 est.)
- Death rate: 15.17 deaths/1,000 population (2004 est.)
- Life expectancy at birth:
 - total population: 66.39 years
 - male: 59.91 years
 - female: 73.27 years (2004 est.)
- Ethnic groups:
 - Russian 81.5%, Tatar 3.8%, Ukrainian 3%, Chuvash 1.2%, Bashkir 0.9%, Byelorussian 0.8%, Moldavian 0.7%, other 8.1%



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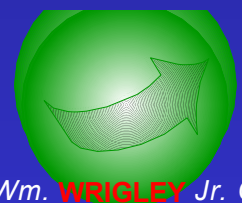
Russia - Overview

- ✓ Many investors, both domestic and international still remain on the sidelines, scared off by Russia's long-standing problems with capital flight, reliance on barter transactions, widespread corruption among officials, and endemic organized crime
- ✓ Some companies who “gave up” - Dunkin Donuts, Pizza Hut, Elf-Aquitaine French Oil Corp, Del Monte International, Dialog Bank, Ben & Jerry's
- ✓ The EU has been the largest provider of economic and technical assistance to Russia
- ✓ Thirteen years after the collapse of the USSR, Russia is still struggling to establish a modern market economy and achieve strong economic growth.
- ✓ Russian GDP fell by 37% between 1991 and 1996, but since has been growing at a rate of about 6% annually since 1997. 2004 estimated growth rate is 7%.



Russia - Overview

- **Security is still big issue**
 - ✓ Muggings, identity theft
 - ✓ Internet crime
 - ✓ Hijacking of trucks
 - ✓ Counterfeit products
 - ✓ Internal threats

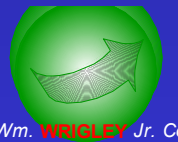


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Russia

● Customs

- ✓ For business, men should wear dark-colored suits and white shirts with sedate ties. Sweaters and vests, with or without a tie, are also common. Men should not take off their jackets without asking.
- ✓ Women should wear business suits in dark, subdued colors, with skirts of very conservative length. High heels are not recommended, especially if you plan to do a lot of walking.
- ✓ Women should be accompanied by a man in restaurants and in hotels. Women are not supposed to be assertive in public, carry heavy bags if walking with a man, open doors, uncork bottles or pay for themselves in social situations (even if they do heavy construction work or work in warehouses and are quite healthy). This custom of relying on a man makes the man look good in public.



Russia

- **Customs (cont.)**

- ✓ Usually, Russians have three names. The first name is a given name, while the last name is the father's family name. The middle name is a version of the father's first name, known as a patronymic; for a man, it ends with the suffixes "vich" or "ovich" meaning "son of." For a woman, the patronymic is also the father's first name but with suffixes "a" or "ova" added, which means "daughter of." When you become well acquainted with a person, you may be invited to refer to him or her by the first name and patronymic. Friends greet each other by first name.
- ✓ Full names are used when introducing one another. Titles, even those as simple as Mr. or Mrs., were replaced by the term "tovarisch", meaning "comrade", is now out of date. It was popular in Communist days, but should no longer be used.



Russia

● Customs (cont.)

- ✓ Always be punctual, but do not be surprised if your Russian contacts are not. It is not unusual for a Russian to be one or two hours late for an appointment.
- ✓ Russians greet by shaking hands firmly and offering a word of greeting. It is impolite to point using your index finger, or to talk with your hands in your pockets, or talk with your arms folded across your chest. It is considered bad luck to shake hands across an entrance.
- ✓ Do not cross your legs with the ankle on the knee. It's impolite to show people the soles of your shoes.
- ✓ Have plenty of business cards, one side printed in English, the other in Russian.

Russia

- **Customs (cont.)**

- ✓ Be prepared to accept smoking.
- ✓ Don't forget to take off your shoes entering a house (residence). Russians do not wear shoes inside the home except for house shoes. Most Russians have several pair of guest shoes at their home for visitors. If they do not have enough extra house shoes for guests it's normal to enter the room without shoes.
- ✓ One more Russian tradition is to drink! The person who drinks and does not get drunk is always respected. Many business deals are solved while drinking together. But Russians never drink without a reason. Every time they want to drink they bring up a reason. It can be anything from buying a new thing to celebrating a weekend. So making a friendly visit take with you a bottle

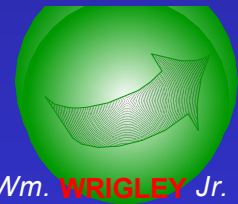


Russia

Customs?
(cont.)



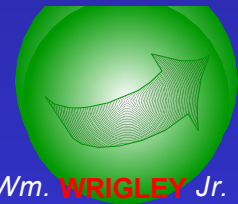
**SALO is the
solution!**



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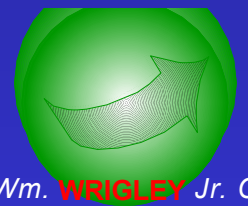
Culture & Current Situation

- ✓ **Laws are many and ever changing**
- ✓ **Enforcement is very inconsistent but multinationals are usually dealt with “differently”**
- ✓ **Still in ‘wild , wild west mode’**
- ✓ **Lots and lots of recordkeeping**
- ✓ **Perfecting the art of bureaucracy**
- ✓ **Just a start, pointing you in the right direction**
- ✓ **Typical Russians have been through a lot, in their eyes nothing is impossible to overcome**



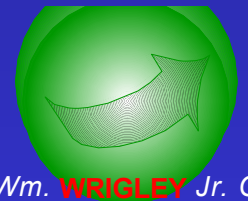
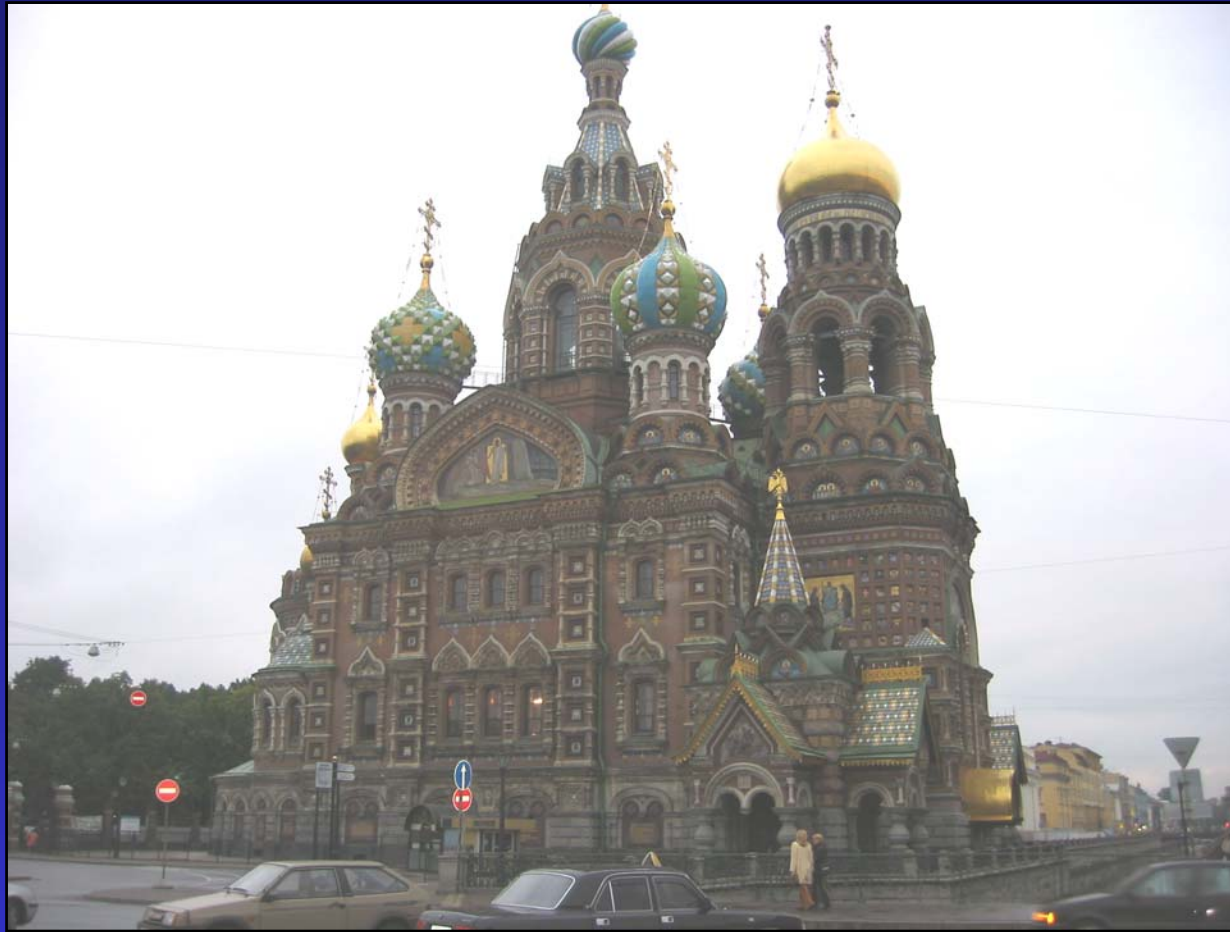
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St. Petersburg Russia Hermitage – Winter Palace



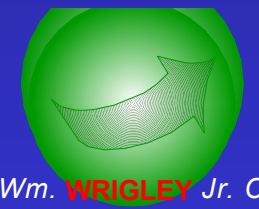
Wm. **WRIGLEY** Jr. Co.
Corp. **ESH&S**

St. Petersburg Russia Church of the Spilled Blood



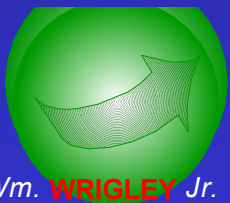
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USA Wrigley Products



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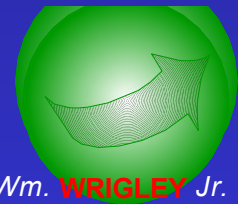
Russian Wrigley Products



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Outline

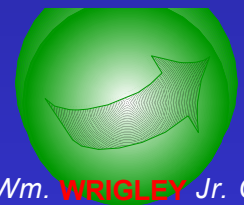
- Major Environmental Framework of ESH Legislation
- Specific Areas of ESH Management
- Enforcement
- Future Issues & Trends
- Printed Materials



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Major Environmental Framework of Legislation

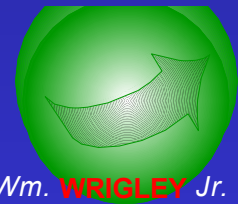
- **Code for Lands (CL. 42 of CH II) of the Russian Constitution**
 - ✓ Law on Environmental Protection
 - ✓ Land Code of Russian Federation
 - ✓ Water Code
 - ✓ Law on Air Protection
 - ✓ Law on Sanitary & Epidemiological Safety of the Population
 - ✓ Federal Law on Environmental Expertise
 - ✓ Federal Law on Sub-Soil Utilization



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Major Environmental Framework of Legislation (cont'd)

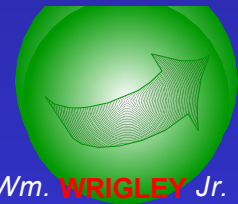
- **Federal and Subjects of Russian Federation Law**
- **State Committee of Standardization-Goststandard**
- **The Goscomecology**
- **Local authorities & committees**



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General Environmental Management Issues

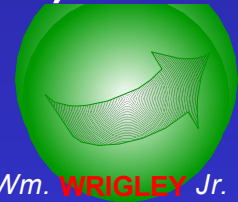
- Environmental Management Programs
- Environmental Impact Assessments
- Environmental Personnel
- Recordkeeping
- Permitting Process
- Fees



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Current Major Environmental Issues (cont.)

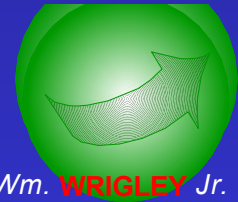
- **Air Quality**
 - ✓ Maximum Allowable Concentrations (MACs)
 - ✓ Temperature, Moisture & Content of Pollutants in the Air of Working Zones
 - ✓ Recordkeeping
 - ✓ Air Permit system
- **Emergency Preparedness & Response**
 - ✓ “On-site” emergency
 - ✓ Report environmental disasters same day
 - ✓ Fire safety/evacuation requirements(fire/evac section)



Current Major Environmental Issues (cont.)

- **Hazardous Materials**

- ✓ Signed Montreal Protocol
- ✓ But continued to produce 10% of world's Ozone Depleting Substances
- ✓ Registration of dangerous materials
- ✓ Design specs for hazardous material storage, loading/unloading areas, PPE requirements
- ✓ Labeling & packaging requirements
- ✓ Storage tanks
- ✓ Asbestos
 - Authorization is required before handling



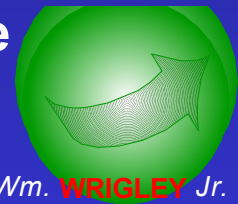
Current Major Environmental Issues (cont.)

- **Solid Waste**

- ✓ Landfills
- ✓ Federal Act on Industrial & Domestic Waste 1998
- ✓ Responsibility of waste producer
- ✓ New reduce, reuse, recycle concept
- ✓ Recordkeeping

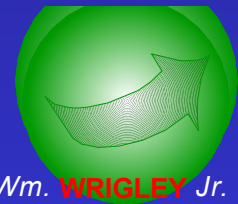
- **Hazardous Waste**

- ✓ Federal Act on Industrial & Domestic Wastes-1998
- ✓ Registration, manifest systems, recordkeeping
- ✓ About 3,000 accounted burial places of Toxic waste



Current Major Environmental Issues (cont.)

- **Wastewater**
 - ✓ Water Code
 - ✓ Discharge limits
 - Discharge fees/reducing fees
- **Water Supply**
 - ✓ Water Code
 - ✓ Recordkeeping



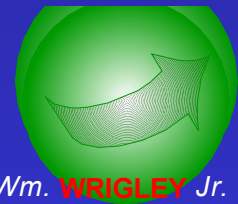
Russia - Safety & Health

- There is no special multidisciplinary intersectional national agency responsible for OSH
- Very little is translated in English - International Labor Organization and Baltic Sea Network on OSH, and legislation

<http://www.ilo.org/public/english/protection/safework/cis/legosh/rus/index.htm>

<http://www.balticseaosh.net/russia/index.shtml>

<http://kodeks.karelia.ru/eng/>

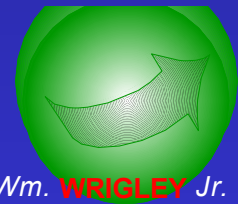


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Russia - Safety & Health

● Overview

- ✓ Russia has the highest percentage of occupational fatalities per 100,000 workers among major world powers (1994-1995)
 - ◆ Russia – 13.8
 - ◆ Ukraine – 12.0
 - ◆ Spain – 10.2
 - ◆ Australia – 7.00
 - ◆ US – 5.3
 - ◆ Germany – 4.7
 - ◆ Japan – 3.74
 - ◆ UK – 1.4

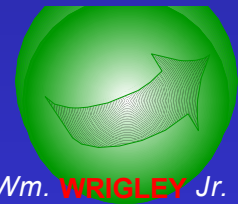


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Russia – Safety & Health

● **The Law**

- ✓ **Fundamental Law of the Russian Federation on Labor Protection of 6th August 1993 (amended 6/95)**
- ✓ **Safety Personnel**
- ✓ **Safety Plan**
- ✓ **Safety Committee**
- ✓ **Facility Safety manual**
- ✓ **H&S Manager**

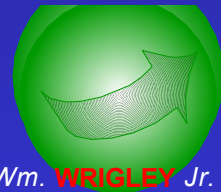


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Russia - Safety & Health

● The Law

- ✓ **Fundamental Law of the Russian Federation on Labor Protection of 6th August 1993 (amended 6/95)**
- ✓ **Supported by the Labor Code**
- ✓ **Technical Standards (GOST) developed to control detail**
- ✓ **H&S now administered by Ministry of Labor (Mintrud) and Social Affairs since the collapse of the Trades Unions**
- ✓ **Occupational Health & Safety at State level regulated by the Interdepartmental Commission on Occupational Safety**
- ✓ **State Committee for Sanitary and Epidemiological Control coordinates with Ministry of Labor**

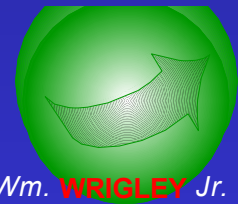


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Russia - Safety & Health

● The Law - Overview

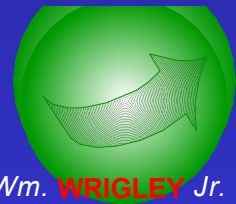
- ✓ Labor Code requires all enterprises to appoint a competent person to deal with S&H issues and hold state accredited diploma
- ✓ Must meet the requirements of the Order of the Labor Department (St. Petersburg) for uniform teaching and examination of S&H knowledge
- ✓ Workplace assessments to be carried out every 5 years (retained for 45 years!)
- ✓ Plans to be developed, including allocation of financial resources, to address issues



Russia - Safety & Health

- **Enforcement**

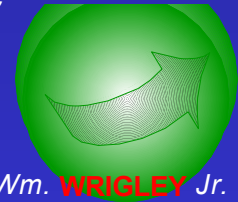
- ✓ Strict - when applied
- ✓ Tax incentives can be awarded for development of safety technology
- ✓ Safety Certificates required for all facilities
- ✓ Few Labor Inspectors
- ✓ Foreign investors can be targets
- ✓ Relationships with local government officials important (Cadbury)



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Russia - Safety & Health

- **Current Regulations and Requirements**
 - ✓ **Confined Space Entry**
 - Not specifically addressed
 - ✓ **Electrical Safety**
 - Lock Out of electrical equipment, and
 - Basic construction/wiring safety (NEC type code)
 - ✓ **Hazard Communication (GOST 12.0.003-74)**
 - “Harmful and Dangerous Working Factors”
 - A list of “Dangerous Chemicals”
 - ✓ **Lockout/Tagout**
 - Covered under the Electrical and Machinery Directive



Russia - Safety & Health

- **Current Regulations and Requirements (cont.)**

- ✓ **PPE**

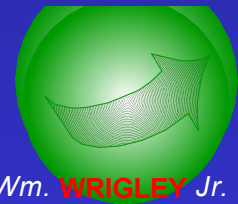
- ◆ These Guidelines are mostly out-of-date because they refer to the times of former Soviet Union and planned economy. But, because they are still in force, they are still important.

- ✓ **Fire Safety (PPB-01-93)**

- ◆ Fire control and alarm
- ◆ Evacuation procedures and equipment
- ◆ Explosion risks
- ◆ Training – includes prior to starting work!

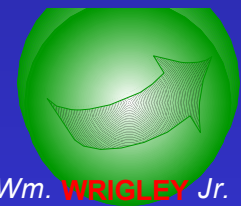
- ✓ **Machinery Safety (GOST 12.2.002-75 & 12.3.003-91)**

- ◆ Appropriate principles of operation
- ◆ Explosion area classification



Russia - Safety & Health

- **Current Regulations and Requirements (cont.)**
- **You will require a GOST Russia Certificate of Conformity (GOST-R COC) in order to bring equipment across the border into the Russian Federation. Mandatory certification is required by Russian law, Gosstandart of Russia (GOST-R) is a government organization charged with maintaining and enforcing this certification system,**

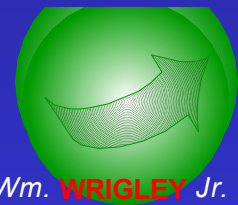


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Russia - Safety & Health

- **Future Issues**

- ✓ A growing and changing variety of laws and regulations on certification, often passed without notice, has developed as Russian agencies try to regain control of a process that has gone wild.
- ✓ The European Union Tacis Project (1997) on preparation and implementation of basic legislation on occupational safety in the Russian Federation has assisted the Russian Ministry of Labor, Department of Occupational Safety to prepare and implement an effective occupational safety system.



Future Issues & Trends

- **Uncertainty**
- **Reforms will Follow Rest of Political Future**
- **Disasters & Incidents May Hasten the Process**
- **Solid and Hazardous Waste**
- **Packaging Fees**

