



## Social Performance

### Purpose

Maximise positive and minimise negative impacts on society and to ensure that Sakhalin Energy's *Social Performance*<sup>1</sup> management process meets international good practice and plays a leading role in this area.

### Who is this for?

- *Business Lead*
- *Business Head*
- *Managers*
- *SP Professionals*
- *SP Focal Points*

### What situations are covered?

This document applies to Social Performance (SP) aspects of all *Sakhalin Energy Assets, Facilities, operations, Projects* and activities, including activities undertaken by contractors on behalf of the company.

### Requirements

**Business Head and Managers are Accountable for requirements 1 to 15 in their own organisation:**

1. **Manage Social Performance** in compliance with requirements of:
  - a. Russian Federation law (overview is provided in Legal Requirements for Social Performance<sup>2</sup>), and
  - b. Lenders and Shareholders as defined in International Requirements for Social Performance.The following requirements 2 to 15 shall be established and maintained in accordance with requirement 1.
2. The company shall maintain a social performance organization to focus on social impact assessment and monitoring, issues related to indigenous peoples (IP), Sustainable Development/Social Investments (SD/SI) activities, community grievance procedure, resettlement/Supplemental Assessment Programme (as required).
3. **Implement roles and responsibilities** as per Sakhalin Energy Social Performance Roles and Responsibilities.
4. Establish and maintain Social Performance Policy (component of Commitments and Policy on HSE and SP).
5. Establish and maintain requirements in the HSE and Social Performance Management System in accordance with the Sakhalin Energy Sustainable Development Policy and Commitments and Policy on HSE and SP.
6. **Undertake Social Impact Assessment** prior to all new major activities or significant modifications to existing facilities as required by the Procedure for Impact Assessment.
7. **Identify and implement mitigation and enhancement measures**, in accordance with results of requirement 6, stakeholder engagement, and any other relevant social assessment processes. These requirements are mandatory for key contractors (with significant social impacts) as applicable and appropriate.
  - a. Establish and maintain documented commitments in key areas of Social Performance, and establish and annually update related action plans where appropriate.
  - b. **Implement the following documented commitments and plans/procedures:**
    - An annual Social Performance Plan that includes objectives, a commitment to ensure compliance with social-related HSESAP requirements and the communication of these requirements to

<sup>1</sup> Italicized terms in this document are included in the Sakhalin Energy HSE Glossary.

<sup>2</sup> Underlined items in this document refer to Sakhalin Energy Controlled Documents.



contractors as appropriate, key performance indicators, targets, and performance monitoring for new and existing activities;

- Sakhalin Indigenous Minorities Development Plan in accordance with commitments on Indigenous Peoples Specification;
- Avoid or minimise the impact on *Cultural Heritage* where expected or found in accordance with commitments on Cultural Heritage Specification;
- Address resettlement issues in accordance with commitments on Resettlement Management Specification;
- Apply the Hunting, Fishing and Gathering Policy during construction activities as required (based on discussions with affected communities);
- Russian Content, Employment and Business Opportunities in accordance with commitments on Russian Content and Employment Specification;
- Public Consultation and Disclosure Plan in accordance with Public Consultation and Disclosure Specification;
- Establish and maintain the Grievance Procedure in accordance with Addressing Grievance Specification;
- Develop and implement the Social Investment Strategy Specification.

8. Address Social Performance issues in the Issue Management Process.

9. Establish and maintain Social Performance Monitoring and audit.

10. In case of activities associated with expansion, reconstruction, retrofit, upgrade, and maintenance key construction contractors shall prepare and implement socio-economic plans:

- The plans shall describe mitigation measures to minimise/avoid negative impacts on project-affected communities and to maximise benefits to those communities.
- The plans shall detail how the company's requirements related to social performance shall be adopted.
- The plans shall be reviewed by the company's SP Team and regularly monitored.
- Contractors will be required to submit reports to the company.
- Contractors with potentially significant social impacts will be required to have CLO or Social Focal Points who will fulfil CLO role.
- As required SP Team will provide contractors with ongoing assistance in relation to compliance with the company's social requirements.
- The company shall require the contractors to ensure that induction training in camp management policies/rules and Code of Conduct is provided in a timely manner for staff residing in camp accommodation.

11. Camp facilities shall be established and maintained in accordance with RF regulations and Sakhalin Energy's Occupational Health and Hygiene Standard, in particular the Occupational Hygiene, Community Health and Medical Conditions of Contract Specifications.

12. The company and contractors shall notify communities in advance of any activities that may cause any reasonably foreseeable adverse impact on the quality of life of people within those communities.

13. In case of activities associated with expansion, reconstruction, retrofit, upgrade, and maintenance the company shall work with local communities to ensure access is not blocked to roads and paths materially and traditionally used to access fishing areas and berry/mushroom gathering areas. Where loss of normal access is unavoidable, the project shall take measures agreed with communities as appropriate.

14. In case of activities associated with expansion, reconstruction, retrofit, upgrade, and maintenance the company shall assess where movement of livestock needs to be considered and as appropriate shall implement steps to be taken to ensure timely access across to or around the areas where works are being implemented.



## Social Performance Standard

Rev 03

15. In case of activities associated with expansion, reconstruction, retrofit, upgrade, and maintenance the company shall ensure that any inadvertent reconstruction/upgrade-related damages outside designated work areas that might involve community impacts are reported.