

RUSVINYL SOCIAL ACTION PLAN

February 2008

This shall describe RusVinyl mitigation measures to minimise/avoid negative impacts on project-affected communities and to maximise benefits to those communities.

Issue/Impact	Action/ Mitigation measures	Timescales	Monitoring
<i>SPZ</i>			
Part of the adjacent agricultural land falls within the SPZ.	Compensation for economic or physical displacement will be provided according to the Company's compensation procedure	- negotiated 6 months prior to commissioning - paid prior to start up operations	+
<i>Impacts in local communities</i>			
Impacts to community infrastructure (roads), road safety and environmental impacts to community (dust, noise and exhaust fumes)	<p>The Company and contractors shall notify communities in advance of project activities that may cause any reasonably foreseeable adverse impact on the quality of life of people within those communities.</p> <p>The Company shall provide a timely and targeted response where appropriate when the quality of life of communities is perceived to have been negatively impacted.</p> <p>The Company shall avoid the use of roads within week-ends & night hours where possible. If this is not possible, then the Company, or its contractors (whichever is appropriate), shall</p>	During & after construction period	+

RusVinyl LLC

63, Osharskaya, 603105 Nizhny Novgorod, RUSSIA

Phone: + 7 831 278 36 10

	make good any material damages to ensure that the road is in no worse a state than before the damage. The repairs shall be expedited as soon as reasonably practicable to do so. In the event of proven economic loss, compensation shall be provided in accordance with the Compensation procedure.		
Impact on dacha community. Due RusVinyl's construction activity the traffic on the bypass road which is used by local people to go on week-end to their dachas by could be often slowed down by trucks running with a different cargo.	The majority of feedstock & cargo transportation will be organized on weekdays as well as at night hours. Wherever practical road transportation will be during Monday – Friday.	During & after construction period	+
Impact on dacha community. Possible damage of the bypass road by the increased volume of traffic	The Company shall make repairs as soon as reasonably practicable and in the event of proven economic loss. Compensation shall be provided in accordance with the Company compensation procedure.	During & after construction period	+
Traffic /Transport Impact on the local community related to the construction site location.	There will not be any traffic movement through communities. Designated routes for construction traffic will be agreed which by pass communities. All cargo transportation will use the bypass road. The majority of feedstock & cargo transportation will be organized on weekdays as well as at night hours	During & after construction period	+
Worker transportation	Construction workers will be transported on the site by Company means free of charge	During construction period	+
Potential impacts to the local community during construction	In consideration of potential impacts, RusVinyl will issue a number of key policies which RusVinyl will monitor and construction contractors will apply for their own work force. These will include as a minimum	During construction period	+

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	<ul style="list-style-type: none"> - Development and Implementation of an Alcohol and Drugs Policy - Smoking Policy - Public Behaviour Code - Construction Site Security - Grievance process for workers 		
<p>Conflicts between local residents and construction workers</p>	<p>The Company shall ensure that it and its contractors provide a timely and targeted response where appropriate to community concerns and actual Project-related issues relating to conflict between communities and Project workers. This shall be done via enforcement of the Construction Management Policy, consultation with affected workers and communities and mediation by a site officer who will be appointed by the beginning of construction works.</p> <p>The project will also implement a grievance procedure to enable project affected people to report their concerns and complaints (for any aspect of the project, not just worker related). The procedure will be provided in the public domain and will focus on the timely resolution of issues.</p>		
<p>Medical facilities: Possible impact on the medical infrastructure of the local community.</p>	<p>The construction site will be provided with First-Aid facilities for the personnel according to Russian Legislation requirements. In case of lack or unavailability of the said facilities or due to the number of personnel involved, a specific medical organization will be involved such as the Kstovo branch of “Zdravniza”, a non-state health care establishment which is not related to medical infrastructure of the local community thus minimizing the possible adverse impact. RusVinyl has already an agreement with “Zdravniza” on medical services.</p>	<p>During & after construction period</p>	<p>+</p>

Health Management & Promotion	Preventative measures to promote healthy practices will be supported by the project through the medical services provided on site.	During & after construction period	+
Housing Impact	<p>The Projects strives to minimize potential direct and indirect adverse effects to nearby community housing infrastructure.</p> <p>Pending the relevant accordance from Nizhniy Novgorod authorities, the Project plans to house construction workers in existing little used sanatoriums & resorts of Zeleniy Gorod, near Kstovo. As minimum Russian Federation standards for accommodation will be required for worker housing.</p>	During the construction period	+
Migrant workforce / Local employment	<p>Local sub-contractors will be used where possible. Not less than 20% and according to preliminary forecast 50% of employees will be hired locally.</p> <p>The EPC Contractor will develop a plan for the hiring of local contractors.</p> <p>Compliance with the Labor Code will be strictly enforced by the Project and the EPC Contractor. A process will be put in place to routinely monitor requirements and address any non-compliance on timely basis.</p> <p>All staff and contractors will be provided with a written employment agreement, which clearly defines their roles and responsibilities and working arrangements.</p> <p>It is committed to deal equitably with all employees, avoiding any form of discrimination (such as that based on age, race, sex, nationality, religion and opinions) and forced labor.</p> <p>Workers will be provided with adequate health and safety training and equipment and contractors will implement the requirements set out in the HSES plan of the EPC Contractor.</p>	During & after construction works	+

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<p>Local Employment</p> <p>Actions to be taken to</p>	<p>For posts where required skills are available locally, the Company and EPC Contractor shall cooperate with local employment services to gather and evaluate applications. The Company shall ensure the development and implementation of transparent recruitment and hiring procedures, either directly or via contractors, which shall include:</p> <ul style="list-style-type: none"> - <i>Provide education and training, pre-employment skill development,</i> - <i>Interactions with local authorities</i> - <i>Examining recruitment targets and nature of hiring.</i> - <i>Review job descriptions for accuracy and timeliness.</i> - <i>Execute spot checks for accuracy and effectiveness of job advertising.</i> - <i>Ensure that recruitment/hiring records are kept.</i> - <i>Spot check on consultation by Contractor with local employment authorities.</i> <p>The Company shall ensure that it and its contractors shall provide materially accurate information appropriately in advance to local communities about job opportunities, and shall seek to manage job expectations through providing indicative information such as: - job requirements, skills required, application timing and locations.</p> <p><u>Government Authorities</u></p> <p>The Company will ensure that its contractors shall work with regional and local authorities to assist the timely delivery of employment-related government authorisations and/or permits required in a timely manner.</p>		
<p>A possible impact on local</p>	<p>Regularly recreational programs will be run such as organized</p>	<p>During & after</p>	<p>+</p>

recreational infrastructure.	excursions, lease of gyms for the personnel of the site.	construction works	
Social Investment	<p>RusVinyl will conduct its business as a good neighbour and intend to closely liaise with the authorities of the local community in order to evaluate social initiatives and help as far as practicable. Also RusVinyl will endeavour to involve the public through meaningful consultation in the process of identifying appropriate SI projects in which the company could be of reasonable help.</p> <p>The Company shall establish social initiatives which can contribute to the community. These initiatives will be identified in cooperation with representatives of the local community. This process has been already started.</p>	<p>Started already. Will be followed through all the Company's activity</p>	+

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