

# LEGISLATION SUMMARY: RUSSIA

Expectations towards suppliers as defined in the Guiding Principles and local legislation



## 1. Business Ethics

**Guiding Principles:** Companies are expected to uphold the highest standards of integrity and to operate honestly and equitably throughout the supply chain in accordance with local laws.

Topic	Relevant local legislation	Benchmark against Guiding Principles / Practical Guidance
1. Responsible Sourcing of Materials	<p>Federal law “On Protection of Environment” of 10.01.2002 N 7-FZ (last version) (Федеральный закон "Об охране окружающей среды" от 10.01.2002 N 7-ФЗ (последняя редакция))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of legislation</i> - This federal law establishes a legal framework for government policy on the protection of the environment, which aims to provide balanced solutions to socio-economic problems.</li> <li>▪ <i>Key points for suppliers</i> - The following principles should be foundations of business activity: respect of the human right to a healthy environment; a science-based convergence of environmental, economical, and social interests aimed at sustainable development; protection, reproduction, and sustainable use of natural resources; and integration of natural and socio-economic characteristics of the geographical area of business activity in the business plan.</li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_34823/">http://www.consultant.ru/document/cons_doc_LAW_34823/</a></p>	<p>Although the Russian legislation expects companies to comply with sustainable practices, it does not regulate responsible sourcing of materials. Thus, companies are not required to understand the source of raw materials, identify suppliers’ violations against human rights or negative effects on the environment, and use conflict-free smelters and refiners for procurement of tin, tungsten, tantalum, and gold contained in the products they produce. Overall, the Russian legislation is <u>less strict</u> than the Guiding Principles and Practical Guidance.</p>
2. Anti-Corruption	<p>Federal law “On Anti-Corruption” of 25.12.2008 N 273-FZ (last version) (Федеральный закон "О противодействии коррупции" от 25.12.2008 N 273-ФЗ (последняя редакция))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of legislation</i> - The federal law establishes the main anti-corruption principles, legal and organizational foundations for the prevention of corruption and actions against it, and minimization and/or elimination of its consequences.</li> <li>▪ <i>Key points for suppliers</i> - The law defines corruption as the abuse of power, bribery, abuse of authority, and illegal use of professional status against interests of public</li> </ul>	<p>In a <u>similar</u> vein with the Guiding Principles and Practical Guidance, the Russian legislation strictly prohibits all forms of bribery, extortion, and embezzlement and establishes penalties for entities and individuals who do not comply with laws and regulations.</p>

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	<p>and state to gain benefits (money, valuables, or property) for oneself or a third party (Art. 1).</p> <ul style="list-style-type: none"> <li>- In order to prevent corruption, companies must create and implement in practice standards and procedures aimed to develop a strong work ethic (Art. 13.3).</li> <li>- Conviction of corruption crimes on behalf or in the interest of the company, is regulated and sanctioned by the law (Art. 14).</li> <li>- The Russian Criminal Code determines sanctions for bribery, fraud, extortion, and embezzlement.</li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_82959/">http://www.consultant.ru/document/cons_doc_LAW_82959/</a></p>	
<p><b>3. Privacy</b></p>	<p>The Constitution of the Russian Federation (adopted by national referendum on December 12, 1993) Конституция Российской Федерации (принята всенародным голосованием 12 декабря 1993 г.)</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of legislation</i> <ul style="list-style-type: none"> <li>- The Russian Constitution guarantees privacy, the confidentiality of personal and family life, and protection of every person's dignity and reputation (Art. 23).</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- The collection, storage, usage, and distribution of an individual's private information is prohibited without one's consent (Art. 24).</li> </ul> </li> </ul> <p>Source: <a href="http://www.constitution.ru/10003000/10003000-4.htm">http://www.constitution.ru/10003000/10003000-4.htm</a></p> <p>Federal law "On Personal Data Protection" of 27.07.2006 N 152-FZ (ed. of 31.12.2017) (Федеральный закон от 27.07.2006 N 152-ФЗ (ред. от 31.12.2017) "О персональных данных")</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of legislation</i> <ul style="list-style-type: none"> <li>- This law aims to protect persons' rights and freedom while processing their personal data.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- Processing any personal data (employee, supplier, sub-contractor, customer, etc.), which is inconsistent with the aim of personal data collection, is prohibited. The company should ensure that personal data is accurate, sufficient, and relevant. Inaccurate or incomplete personal data should be deleted or corrected (Art. 5).</li> </ul> </li> </ul>	<p>The Russian legislation is <u>similar</u> to the Guiding Principles and Practical Guidance, as it guarantees privacy and protection of employees' dignity and reputation and prohibits companies from using personal data for any purposes beyond the aim of personal data collection. Furthermore, the legislation expects companies to put in place measures to protect personal data from unauthorized access, use, and distribution. Since the legislation applies to all personal data operators all sub-contractors, Tier 2 or tier n suppliers are required to comply with these principles and obligations.</p>

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	<ul style="list-style-type: none"> <li>- Companies are prohibited from distributing personal data to third parties without one's consent (Art. 7).</li> <li>- Companies are prohibited from processing personal data related to racial or national identity, political or religious beliefs, health condition, and private life except for a few reasons, such as the need to protect one's life and/or health or compliance with federal laws (Art. 10).</li> <li>- Companies are required to take action to protect personal data against unauthorized access, use, and distribution (Art. 19).</li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_61801/">http://www.consultant.ru/document/cons_doc_LAW_61801/</a></p> <p>Order of the Government of the Russian Federation of 01.11.2012 N 1119 "On Establishing Requirements for Processing Personal Data in Information Systems" (Постановление Правительства РФ от 01.11.2012 N 1119 "Об утверждении требований к защите персональных данных при их обработке в информационных системах персональных данных")</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of legislation</i> <ul style="list-style-type: none"> <li>- The document establishes requirements for processing personal data in information systems.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- In order to protect personal data, companies should put in place organizational and/or technical measures and take into consideration security risks.</li> <li>- The order defines 3 types of risks and 4 levels of protection of information systems. Companies are expected to assess security risks, take into consideration the type of personal data processed, and ensure the required level of protection.</li> </ul> </li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_137356/">http://www.consultant.ru/document/cons_doc_LAW_137356/</a></p>	
<p>4. Financial Responsibility/Accurate Records</p>	<p>Federal law "On Accounting" of 06.12.2011 N 402-FZ (last version) (Федеральный закон "О бухгалтерском учете" от 06.12.2011 N 402-ФЗ (последняя редакция))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of legislation</i> <ul style="list-style-type: none"> <li>- The federal law establishes uniform requirements for accounting.</li> </ul> </li> </ul> <p>The most common accounting system used in Russia is <b>local GAAP</b> (Russian Accounting System). The main difference to IFRS are approach to</p>	<p>The Russian legislation is <u>similar</u> to the Guiding Principles and Practical Guidance, for they expect companies to accurately record, maintain, and report financial documentation and accounting statements. Principles governing accounting include international practices as well as federal and industry standards.</p>

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accounting judgements. Russian GAAP is slowly approaching IFRS, however there is still a gap remaining between the systems.

- *Key points for suppliers*
  - The company must prepare accounting (financial) statements annually in compliance with federal and industry standards.
  - Accounting (financial) statements must provide accurate information about the company's financial status at the reporting date, financial results of the company's activity, and cash flows (Art. 13).

Source: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_122855/](http://www.consultant.ru/document/cons_doc_LAW_122855/)

Tax Code of Russian Federation (part 1) of 31.07.1998 N 146-FZ (ed. of 28.01.2020)

("Налоговый кодекс Российской Федерации (часть первая)" от 31.07.1998 N 146-ФЗ (ред. от 28.01.2020))

- *Scope of legislation*
  - The Russian Tax Code establishes the system of taxes and fees, insurance contributions, and general principles of taxation.
- *Key points for suppliers*
  - The company must file annual accounting (financial) statements and tax declarations to the tax office and pay applicable taxes (Art. 23).

Source: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_19671/](http://www.consultant.ru/document/cons_doc_LAW_19671/)

### 5. Disclosure of Information

#### **Financial reporting**

Federal law of 26.12.1995 N 208-FZ (ed. 04.11.2019) "On Joint-Stock Companies" (as amended and supplemented on 01.01.2020)

(Федеральный закон от 26.12.1995 N 208-ФЗ (ред. от 04.11.2019) "Об акционерных обществах" (с изм. и доп., вступ. в силу с 01.01.2020))

- *Scope of legislation*
  - This federal law regulates the activity of joint-stock companies.
- *Key points for suppliers*
  - Public joint-stock companies are required to disclose annual accounting (financial) statements and information regarding securities (Art. 92).
  - Privately held joint-stock companies that have more than 50 shareholders or exercise public offering are required to disclose annual accounting (financial) statements (Art. 92).

The Russian legislation establishes regulations for mandatory disclosure of financial information by joint-stock companies and issuers of securities. In 2019 the Russian legislation proposed the bill related to the disclosure of non-financial information, including social responsibility and sustainability, prevention of corruption, and economic, social, and environmental aspects. The respective law is not yet in effect. The Guiding Principles and Practical Guidance expect companies to disclose non-financial information regarding their labor/labor force, health and safety practices, environmental practices, and business activities. At the moment, the Russian legislation is less strict

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Source: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_8743/](http://www.consultant.ru/document/cons_doc_LAW_8743/)

Federal law "On Securities Market" of 22.04.1996 N 39-FZ (last version)  
(Федеральный закон "О рынке ценных бумаг" от 22.04.1996 N 39-ФЗ  
(последняя редакция))

- *Scope of legislation*
  - The federal law establishes regulations for the issue and circulation of securities.
- *Key points for suppliers*
  - Companies, which have registered securities, are required to disclose the following information: issuer report, financial statement, consolidated financial statement (if applicable), and material facts notice (Art. 30).
  - Companies which exceed certain limits (in revenue, assets), or represent a particular type of companies (such as banks, insurance companies or public companies) are required to prepare **IFRS reporting** by law. Public companies listed in the U.S. or other listings may as well prepare US/other GAAP financial statements, however, it is not regulated by Russian law.
  - Companies which exceed certain limits (in revenue, assets), or represent a particular type of companies (such as banks, insurance companies or public companies) are required to undergo an **annual statutory audit**. International Standards on Auditing were ratified in Russia in recent years.

Source: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_10148/](http://www.consultant.ru/document/cons_doc_LAW_10148/)

### **Non-financial and sustainability reporting**

The draft law on non-financial reporting is currently under discussion in the regulatory working groups. It will require companies of certain types (mostly, public companies) to disclose information about non-financial performance in environment, health and safety, community investments and stakeholder engagement. The following non-financial indicators were suggested: expenditures on social, economic and charity programs, training costs, age and gender profile of the workforce, average wage, staff turnover, number of terminated employees approaching retirement age, wage arrears, number of accidents, corruption crimes, and violation of indigenous minorities' rights. According to the Ministry of Economic Development, these indicators will help to assess the quality of governance, sustainability of the business, and its impact on the environment and community. In addition, it will allow companies

than the Guiding Principles and Practical Guidance.

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	<p>to effectively manage risks and improve environmental and social responsibility. The draft law suggests that companies disclose non-financial information on their websites or in public records. At the date of the preparation of this document (summer 2020) it was still unclear whether all of the companies have to disclose non-financial information and what would be the sanctions against violations.</p> <p>Source: <a href="https://www.rbc.ru/rbcfreenews/5ec55eef9a79474da723242a">https://www.rbc.ru/rbcfreenews/5ec55eef9a79474da723242a</a></p>	
<p>6. Fair Competition/Anti-Trust</p>	<p>Federal law “On Anti-Corruption” of 25.12.2008 N 273-FZ (last version) (Федеральный закон "О противодействии коррупции" от 25.12.2008 N 273-ФЗ (последняя редакция))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of legislation</i> <ul style="list-style-type: none"> <li>- The federal law establishes the institutional and legal framework for competition protection, including prevention and suppression of monopoly and unfair competition.</li> <li>- The law aims to create conditions for markets to function effectively and support the integrity and discretion of economic activity, free movement of goods, and competition protection.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- Unfair competition is not permitted by the means of the following: spreading false, inaccurate, or distorted information, which can cause damage to an economic entity or harm its reputation; deception; incorrect comparison of goods or companies; illegal use of the results of intellectual activity; trademark/brand name/geographical indication infringement; copy or imitation of product design; and illegal access, use, and disclosure of information, which is considered a trade secret or secret protected by the law.</li> <li>- In order to prevent and suppress monopoly, the following actions are prohibited: establishing and maintaining monopolistic high or low price; recalling goods from the market as a result of their increased prices; imposing contractual conditions, which are unfavorable to sub-contractors and not related to the subject of the contract; rejection or refusal to sign the contract with certain customers (in the event the company is capable of producing and delivering goods); establishing different prices for the same good; establishing discriminatory conditions; and impeding the ability of other companies to access to the market.</li> </ul> </li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_82959/">http://www.consultant.ru/document/cons_doc_LAW_82959/</a></p>	<p>The Russian legislation protects fair competition, strives to support the integrity and discretion of economic activity, and create conditions for markets to function effectively. Companies are expected to avoid business practices that lead to unfair competition and monopoly power, such as improper exchange of information, price-fixing, and bid-rigging. Therefore, Russian legislation is <u>similar</u> to the Guiding Principles and Practical Guidance.</p>

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<p><b>7. Conflicts of Interest</b></p>	<p>Federal law "On Anti-Corruption" of 25.12.2008 N 273-FZ (last version) (Федеральный закон "О противодействии коррупции" от 25.12.2008 N 273-ФЗ (последняя редакция))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of legislation</i> <ul style="list-style-type: none"> <li>- The federal law establishes the main anti-corruption principles and defines a conflict of interest as a situation when personal interest affects proper, objective, and unbiased performance of work tasks (Art. 10).</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- Personal interest is one's ability to make a profit (money, property, results of work, or other benefits). Personal interest extends to an individual, his/her close relatives, or other people or organizations that have close proprietary or corporate relationships with the individual (Art. 10).</li> <li>- Individuals employed at state and local authorities, state corporations, and public legal entities must put in place measures to regulate conflicts of interests (Art. 10).</li> <li>- Prevention and regulation of conflicts of interest are the anti-corruption measures that the company must put in place (Art. 13.3).</li> <li>- In order to prevent and resolve a conflict of interest, a company may change an employee's professional status or title, including his/her suspension from duty and/or forego of any benefits, which were the reason for the conflict of interest (Art. 11).</li> </ul> </li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_82959/">http://www.consultant.ru/document/cons_doc_LAW_82959/</a></p>	<p>The Russian legislation is <u>similar</u> to the Guiding Principles and Practical Guidance, for they expect companies to make objective and unbiased decisions, which are unclouded by favoritism resulting from personal relations, opinions, and prospects of benefits.</p>
<p><b>8. Counterfeit Parts</b></p>	<p>Code of the Russian Federation on Administrative Offences of 30.12.2001 N 195-FZ (ed. 01.03.2020) ("Кодекс Российской Федерации об административных правонарушениях" от 30.12.2001 N 195-ФЗ (ред. от 01.03.2020))</p> <p>Criminal Code of the Russian Federation of 13.06.1996 N 63-FZ (ed. of 18.02.2020) ("Уголовный кодекс Российской Федерации" от 13.06.1996 N 63-ФЗ (ред. от 18.02.2020))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- The Russian Code of Administrative Offenses (Art. 7.12, Art. 14.10) and the Russian Criminal Code (Art. 147, Art. 180) establish sanctions against violation of intellectual property rights.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i></li> </ul>	<p>The Russian legislation respects intellectual property rights and sanctions companies that produce and sell counterfeit products. The recent amendment to the Russian legislation on mandatory labeling process will enable companies to detect and quarantine counterfeit parts and materials, notify the Original Equipment Manufacturer (OEM) customer, and contribute to law enforcement. Nevertheless, parallel import has been actively discussed in the regulatory working groups, as current legal practice does not fully protect the producer of original goods. In general, the Russian legislation is <u>similar</u> to the Guiding Principles and Practical Guidance.</p>

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## Expectations towards suppliers as defined in the Guiding Principles and local legislation

- Unlawful use, disclosure of information before the official publication, and plagiarism related to an invention, utility model, or industrial design is sanctioned by the law.
- Trademark infringement, service mark infringement, and geographical indication infringement are considered violations against intellectual property rights and sanctioned by the law.

Source:

[http://www.consultant.ru/document/cons\\_doc\\_LAW\\_34661/](http://www.consultant.ru/document/cons_doc_LAW_34661/)

[http://www.consultant.ru/document/cons\\_doc\\_LAW\\_10699/](http://www.consultant.ru/document/cons_doc_LAW_10699/)

Federal law "On the Basic Principles of State Regulation of Trading Activities in the Russian Federation" of 28.12.2009 N 381-FZ (last version)  
(Федеральный закон "Об основах государственного регулирования торговой деятельности в Российской Федерации" от 28.12.2009 N 381-ФЗ (последняя редакция))

- *Scope of the legislation*
  - The federal law establishes the basic principles of regulation of trading activities.
- *Key points for suppliers*
  - Due to a recent amendment to the federal law, a number of goods, including pneumatic rubber tires, should be labeled. The procedure of labeling is defined and regulated by this law.
  - Companies that sell these goods should register in the information system where they can monitor the process of labeling goods by suppliers.
  - In the future, unlabeled goods will be removed from the market and destroyed.

Source: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_95629/](http://www.consultant.ru/document/cons_doc_LAW_95629/)

The Decision of the Constitutional Court of the Russian Federation of 13.02.2018 N 8-P  
(Постановление Конституционного Суда РФ от 13.02.2018 N 8-П)

### **Legal Case between Sony Corporation and LLC "PAG" illustrating Russian legislation view on parallel import**

**A parallel import** is a non-counterfeit product imported from another country without the permission of the intellectual property owner. Parallel imports are often referred to as grey product and are implicated in issues of international

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trade, and intellectual property. The case below illustrates that Russian legislation treats parallel import equal to counterfeit import.

LLC "PAG" (parallel importer) imported from Poland and traded SONY thermal photo paper used for medical equipment without permission from Sony Corporation. Russian court considered such import as illegal and decreed to destroy imported goods LLC "PAG" requested the court to consider regulations on intellectual property rights related to parallel import provided in the Civil Code unconstitutional. In particular, the company questioned the same sanctions applicable to unlawful use of a trademark and illegal import of trademark goods.

The Constitutional Court presumed that Sony Corporation had the right to fight against parallel importers but agreed that the Civil Code regulations are misleading. The court made a decision against the destruction of original goods imported in the Russian Federation without the trademark's permission, which resulted in a number of legal actions filed by parallel importers who requested revision of previous court decisions.

Source: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_290909/](http://www.consultant.ru/document/cons_doc_LAW_290909/)

### 9. Intellectual Property

Civil Code of the Russian Federation (part 4) of 18.12.2006 N 230-FZ (ed. 18.07.2019)

("Гражданский кодекс Российской Федерации (часть четвертая)" от 18.12.2006 N 230-ФЗ (ред. от 18.07.2019))

- *Scope of legislation*

- The Russian Civil Code establishes rights and regulations related to intellectual property (Section VII).

- *Key points for suppliers*

- Databases, inventions, utility models, industrial designs, product names, trademarks, and trade secrets (know-how) are considered to be the company's intellectual property and protected by the law (Art. 1225).

- Intellectual rights on inventions, utility models, and industrial designs are considered patent rights. The author of an invention, utility model, or industrial design is granted exclusive right and copyright (Art. 1345).

- Companies are prohibited from using intellectual property without the right holder's consent. In the event the company unlawfully uses intellectual property, its actions are sanctioned by the law.

Source: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_64629/](http://www.consultant.ru/document/cons_doc_LAW_64629/)

The Russian legislation is similar to the Guiding Principles and Practical Guidance, for they respect intellectual property rights and protect the use of confidential technology.

### 10. Export Controls and Economic Sanctions

"Customs Code of the Eurasian Economic Union" (appendix N 1 to the Agreement on the Customs Code of the Eurasian Economic Union)

The Russian legislation requires companies to comply with applicable regulations of export and customs control. The legislation imposes

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("Таможенный кодекс Евразийского экономического союза" (приложение N 1 к Договору о Таможенном кодексе Евразийского экономического союза))

- *Scope of legislation*
  - The Customs Code of the Eurasian Economic Union establishes consolidated customs control, including the procedure and conditions for the movement of goods across the border of the union, their presence and use within the territory of the union, and customs procedures.
  - The members of the Eurasian Economic Union are Armenia, Belarus, Kazakhstan, Kyrgyzstan, and the Russian Federation.
- *Key points for suppliers*
  - The code sets prohibitions and restrictions for the movement of goods across the border of the union, controls compliance with non-tariff and technical regulative measures, and monitors compliance with sanitary-epidemiological, veterinary, health quarantine, and radiation requirements (Art. 7).
  - The code lists goods, which can be prohibited from being exported to third countries. The list includes but not limited to ozone-depleting substances and products containing those substances, information in printed, audio-visual, and other sources related to illegal or harmful activities, service and civilian weapons, precious metals, etc.
  - It also imposes restrictions on the export (Chapter 21) and re-export (Chapter 32) of goods.

Source: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_215315/](http://www.consultant.ru/document/cons_doc_LAW_215315/)

Federal law "On Export Control" of 18.07.1999 N 183-FZ (last version)  
("Федеральный закон "Об экспортном контроле" от 18.07.1999 N 183-ФЗ (последняя редакция))

- *Scope of legislation*
  - This federal law imposes export control on goods, information, works, services, and results of intellectual activity, which can be used for the production and delivery of weapons of mass destruction, other types of weapons and military equipment, and terroristic actions.
- *Key points for suppliers*
  - The law controls the integrity and compliance of the Russian Federation with the requirements of international agreements in regard to export control of military or dual-use goods (Art. 5).

restrictions on the export or re-export of specific goods and respects international agreements in regard to export control of dual-use goods. While economic sanctions imposed by other countries are regulated by foreign laws and legal acts, companies must comply with applicable restrictions. Overall, the Russian legislation is similar to the Guiding Principles and Practical Guidance.

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<p>11. Protection of Identity and Non-Retaliation</p>	<p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_23850/">http://www.consultant.ru/document/cons_doc_LAW_23850/</a></p> <p>The draft federal law N 286313-7 “On amendment of federal law “On Anti-Corruption” in regard to protection of persons who informed about corruption offences” (Проект федерального закона № 286313-7 «О внесении изменения в Федеральный закон «О противодействии коррупции» в части защиты лиц, уведомивших о коррупционных правонарушениях»)</p> <p>The draft law was under discussion in the regulatory working groups from October 16, 2017. The draft law aimed to protect government employees who reported corruption offenses. Protective measures included confidentiality of an individual and disclosed information, complimentary legal services, and protection from retaliation. The draft law was declined by the State Duma on June 19, 2019. Source: <a href="https://sozd.duma.gov.ru/bill/286313-7">https://sozd.duma.gov.ru/bill/286313-7</a></p>	<p>The Russian legislation does not establish regulations to protect persons “blowing the whistle” from retaliatory actions. Even though the Ministry of Labor attempted to protect government employees who reported corruption offenses, the respective draft law was declined. The Russian legislation is <u>less strict</u> than the Guiding Principles and Practical Guidance, as the latter expects companies to develop and implement grievance mechanisms and ensure the protection of identity and non-retaliation.</p>
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## 2. Working Conditions and Human Rights

**Guiding Principles:** Companies should respect the human rights of workers, and treat all people with dignity as recognized by the international community.

Topic	Relevant local legislation	Benchmark against Guiding Principles / Practical Guidance
<p>1. Child Labour and Young Workers</p>	<p>Labor Code of the Russian Federation of 30.12.2001 N 197-FZ (ed. of 16.12.2019) ("Трудовой кодекс Российской Федерации" от 30.12.2001 N 197-ФЗ (ред. от 16.12.2019))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- The Russian Labor Code establishes the norms and regulations that protect young people under 18 years of age.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- Companies are prohibited from hiring children under 14 years of age. Companies may hire children of 16 years of age and older (Art. 63).</li> <li>- Children between 14 and 16 years of age may be hired to perform easy works, and a written agreement from a parent or guardian is required to employ a person of 14 years of age (Art. 63).</li> </ul> </li> </ul>	<p>The Russian legislation on child labor and young workers is <u>similar</u> to the Guiding Principles and Practical Guidance, for they require adherence to the best interest of young workers, protect their health and moral development, and prohibit them from performing dangerous tasks and working overtime and at night. The Russian Labor Code complements the Practical Guidance by establishing strict norms and regulations about the employment age, working hours, and wages and benefits.</p>

# LEGISLATION SUMMARY: RUSSIA

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<ul style="list-style-type: none"> <li>- When a hired person under 16 years of age has not completed the general education, the work should permit learning within the educational program (Art. 63).</li> <li>- Working hours cannot exceed 24 hours per week for people under 16 years of age and 35 hours per week for people between 16 and 18 years of age (Art. 92).</li> <li>- People under 18 years of age are prohibited from performing tasks, which are dangerous and may be harmful to their health and moral development, to lift and transport heavy weights exceeding the limits set by the Ministry of Labour, to go on a business trip, to work at night (between 22h and 6h), and to work overtime (Chapter 42).</li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_34683/">http://www.consultant.ru/document/cons_doc_LAW_34683/</a></p>	
<p>2. Wages and Benefits</p>	<p>The Constitution of the Russian Federation (adopted by national referendum on December 12, 1993) (Конституция Российской Федерации (принята всенародным голосованием 12 декабря 1993 г.))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- Article 37 (Chapter 2) establishes the rights guaranteed to employees by the Russian Constitution.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- Every employee is entitled to work in conditions, which meet security and hygiene requirements, to be paid not less than the minimum wage set by the federal law, and to be protected from unemployment.</li> </ul> </li> </ul> <p>Source: <a href="http://www.constitution.ru/10003000/10003000-4.htm">http://www.constitution.ru/10003000/10003000-4.htm</a></p> <p>Labor Code of the Russian Federation of 30.12.2001 N 197-FZ (ed. of 16.12.2019)("Трудовой кодекс Российской Федерации" от 30.12.2001 N 197-ФЗ (ред. от 16.12.2019))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- The Russian Labor Code defines the rights and duties of employees and employers and consolidates regulations regarding wages and benefits.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- Monthly wages must not be lower than the minimum monthly wage in Russia set by the federal law (12,130 Rub as of January 1<sup>st</sup>, 2020). Regional governments may set a higher minimum monthly</li> </ul> </li> </ul>	<p>The Russian legislation is <u>stricter</u> than the Guiding Principles and Practical Guidance, as it requires companies to pay compensation not only for working overtime (in case of fixed-hour working day), but also for working in harmful and/or dangerous conditions, special climatic conditions, on a weekend and holiday, or at night. Additionally, other guarantees and compensations apply when employees travel for business, relocate to another place, engage in government or community service, combine work and study, have work-related inability, or experience job-related health issues (occupational illness or temporary incapability to work). In line with the Guiding Principles and Practical Guidance, companies must provide employees with a wage statement. Outsourcing as such is not mentioned in the Russian legislation; however, the Russian Civil Code establishes regulations for civil contracts with outsourcing specialists.</p>

# LEGISLATION SUMMARY: RUSSIA

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<p>wage taking into consideration regional socio-economic conditions and the cost of living (Art. 133).</p> <ul style="list-style-type: none"> <li>- Companies must provide employees with wages and benefits that are in compliance with collective agreements, contracts, local regulations, labor legislation, and other legal acts that establish the norms of the labor code (Art. 135).</li> <li>- The employer must provide the employee with a receipt stating wage components, compensations, deductions, and remuneration (Art. 136).</li> <li>- Basic benefits include but not limited to the minimum wage, rest breaks, paid vacation, parenthood leave, social security contributions, compensation for working in harmful and/or dangerous conditions, special climatic conditions, and other abnormal conditions (working overtime, on a weekend and holiday, or at night)</li> <li>- Other guarantees and compensations apply to employees who go on a business trip, relocate to another place, engage in government or community service, combine work and study, or cannot work due to downtime, staff reductions, and closure of the company. In addition, the employer provide compensations in the event of a workplace accident, employee's temporary incapability to work, or job-related illness (Chapter 7).</li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_34683/">http://www.consultant.ru/document/cons_doc_LAW_34683/</a></p>	
<p>3. Working Hours</p>	<p>Labor Code of the Russian Federation of 30.12.2001 N 197-FZ (ed. of 16.12.2019) ("Трудовой кодекс Российской Федерации" от 30.12.2001 N 197-ФЗ (ред. от 16.12.2019))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- The Russian Labor Code establishes the norms and regulations regarding working and resting time.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- The code sets the normal duration of working time, which cannot be more than 40 hours per week (Art. 91).</li> <li>- Irregular working hours are permitted but regulated by collective agreements, contracts, and legal acts (Art. 101).</li> <li>- The code regulates reduced working time for people under 18 years of age, disabled people, and people working in dangerous and/or harmful conditions (Art. 93)</li> </ul> </li> </ul>	<p>The Russian legislation and the Guiding Principles and Practical Guidance are <u>similar</u>, for they ensure that irregular working hours and overtime work comply with collective agreements, contracts, local legal acts, and federal laws. The Russian legislation sets the normal duration of working time and rest breaks, limits work overtime, on a weekend or holiday, and at night, and protects vulnerable categories of employees.</p>

# LEGISLATION SUMMARY: RUSSIA

## Expectations towards suppliers as defined in the Guiding Principles and local legislation



	<ul style="list-style-type: none"> <li>- Overtime work cannot be more than 4 hours over the course of 2 consecutive days or 120 hours per year. Pregnant women and employees under 18 years of age are prohibited from working overtime. Disabled people and women who have children under the age of 3 years, may work overtime only after providing their written consent and if their medical condition permits (Art. 99).</li> <li>- Companies must provide employees with rest breaks (30 minutes to 2 hours), rest on weekends and holidays, and paid vacations.</li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_34683/">http://www.consultant.ru/document/cons_doc_LAW_34683/</a></p>	
<p>4. Forced Labour</p>	<p>Labor Code of the Russian Federation of 30.12.2001 N 197-FZ (ed. of 16.12.2019) ("Трудовой кодекс Российской Федерации" от 30.12.2001 N 197-ФЗ (ред. от 16.12.2019))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- The Russian Labor Code establishes the main principles of labor legislation, among which is the prohibition of forced labor (Art. 4, Chapter 1).</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- The Russian Labor Code prohibits companies to demand an employee to perform tasks, which are not listed in his/her employment agreement (Art. 60, Chapter 10).</li> <li>- Companies are also prohibited from unreasonably refusing to sign the employment contract.</li> <li>- Forced labor is defined as performing work tasks under the threat of punishment (coercion).</li> <li>- The Russian Labor Code prohibits forced labor as a way to develop a work ethic, punish striking employees, and mobilize the labor force for economic growth.</li> <li>- The code protects employees from racial, social, national, and religious discrimination and punishment for expressing their political and ideological beliefs that are contradictory to the current political, social, or economic system.</li> </ul> </li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_34683/">http://www.consultant.ru/document/cons_doc_LAW_34683/</a></p> <p>Criminal Code of the Russian Federation of 13.06.1996 N 63-FZ (ed. of 18.02.2020) ("Уголовный кодекс Российской Федерации" от 13.06.1996 N 63-ФЗ (ред. от 18.02.2020))</p>	<p>The Russian legislation is similar to the Guiding Principles and Practical Guidance, as it strictly prohibits forced labor, slavery, and human trafficking. The Russian legislation protects employees from performing tasks under the threat of punishment and coercion.</p>

# LEGISLATION SUMMARY: RUSSIA

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- The Russian Criminal Code defines actions considered crimes regarding forced labor/slavery and human traffic.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- Forced labor/slavery is sanctioned by the law (Art. 127.2).</li> <li>- Human traffic and other actions aimed at exploiting, recruiting, transporting, transferring, concealing, or procuring of people are sanctioned by the law (Art. 127.1).</li> </ul> </li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_10699/">http://www.consultant.ru/document/cons_doc_LAW_10699/</a></p>	
<p>5. Freedom of Association</p>	<p>The Constitution of the Russian Federation (adopted by national referendum on December 12, 1993) (Конституция Российской Федерации (принята всенародным голосованием 12 декабря 1993 г.))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- Article 30 (Chapter 2) of the Russian Constitution guarantees the freedom of association.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- Every person has the right to join/create an association or a trade union to protect his/her interests.</li> </ul> </li> </ul> <p>Source: <a href="http://www.constitution.ru/10003000/10003000-4.htm">http://www.constitution.ru/10003000/10003000-4.htm</a></p> <p>Federal law “On Trade Unions, Their Rights, and Guarantees of Activity” of 12.01.1996 N 10-FZ (last version) (Федеральный закон "О профессиональных союзах, их правах и гарантиях деятельности" от 12.01.1996 N 10-ФЗ (последняя редакция))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- This federal law establishes legal foundations for trade unions and associations and regulates their relations with state and local authorities, legal entities, and people.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- The law defines a trade union as a voluntary public association of citizens who have common professional interests.</li> </ul> </li> </ul>	<p>The Russian legislation respects employee rights to seek representation, protect his/her interests, and join, create, or leave a trade union or an association. The work of trade unions and associations is regulated by the Labor Code and under judicial protection. Therefore, the Russian legislation on freedom of association is <u>similar</u> to the Guiding Principles and Practical Guidance.</p>

# LEGISLATION SUMMARY: RUSSIA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<ul style="list-style-type: none"><li>- Every employed person 14 years of age and older has the right to create, join, and leave a trade union. Russian citizens who reside abroad and foreign citizens (except for cases set by federal laws or foreign agreements) may join Russian trade unions.</li><li>- Trade unions have the following rights: to protect social and labor rights of employees and their interests, to facilitate the employment, to participate in collective bargaining and sign collective agreements and contracts, to regulate labor disputes, to control compliance to labor code, and participate in the implementation of state programs related to labor protection and sustainability.</li><li>- The work of trade unions and associations is protected by the court.</li></ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_8840/">http://www.consultant.ru/document/cons_doc_LAW_8840/</a></p>	
6. Health & Safety	<p>Labor Code of the Russian Federation of 30.12.2001 N 197-FZ (ed. of 16.12.2019) (Трудовой кодекс Российской Федерации" от 30.12.2001 N 197-ФЗ (ред. от 16.12.2019))</p> <ul style="list-style-type: none"><li>▪ <i>Scope of the legislation</i><ul style="list-style-type: none"><li>- The Russian Labor Code establishes requirements for health and safety in the workplace (Section X).</li></ul></li><li>▪ <i>Key points for suppliers</i><ul style="list-style-type: none"><li>- Companies are required to provide the following: the safety of employees when operating the building, structure, and equipment and during technology processes; the safety of equipment and raw and other materials; usage of certified individual and collective protective equipment; work conditions that comply with health and safety requirements; purchase and distribution of special protective clothes and footwear; training on the safe and secure performance of work tasks; and first aid training.</li><li>- Companies must inform employees about work conditions, safety aspects of the job, health risks, guarantees, individual protective equipment, and compensations.</li><li>- Companies are required to conduct health and safety trainings for employees, provide them with social insurance for accidents at the workplace and job-related illnesses, control health and safety in the workplace, and practice hazard and crisis management.</li></ul></li></ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_34683/">http://www.consultant.ru/document/cons_doc_LAW_34683/</a></p>	<p>Similarly to the Guiding Principles and Practical Guidance, the Russian legislation prioritizes health and safety in the workplace. The Russian legislation requires companies to conduct trainings on the safe and secure performance of work tasks, inform employees about potential safety hazards, and provide them with individual protective equipment. Companies should establish the system of health and safety control and ensure that all required permits, licenses, and inspection reports are in place.</p>

# LEGISLATION SUMMARY: RUSSIA

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

<p>7. Harassment</p>	<p>The Constitution of the Russian Federation (adopted by national referendum on December 12, 1993) (Конституция Российской Федерации (принята всенародным голосованием 12 декабря 1993 г.))</p> <ul style="list-style-type: none"><li>▪ <i>Scope of the legislation</i> - The Russian Constitution (Article 21, Chapter 2) establishes that the dignity of the individual is protected by the state and cannot be diminished by anything.</li><li>▪ <i>Key points for suppliers</i> - The Constitution prohibits torture, violence, other abusive or degrading treatment or punishment.</li></ul> <p>Source: <a href="http://www.constitution.ru/10003000/10003000-4.htm">http://www.constitution.ru/10003000/10003000-4.htm</a></p> <p>Criminal Code of the Russian Federation of 13.06.1996 N 63-FZ (ed. of 18.02.2020) ("Уголовный кодекс Российской Федерации" от 13.06.1996 N 63-ФЗ (ред. от 18.02.2020))</p> <ul style="list-style-type: none"><li>▪ <i>Scope of the legislation</i> - The Russian Criminal Code establishes sanctions for sexual crimes (Art. 133).</li><li>▪ <i>Key points for suppliers</i> - Sexual acts conducted by the means of extortion or the threat of destruction, damage, or appropriation of the property or by taking advantage of the victim's material or another type of dependency are sanctioned by the law. - Sanctions include fines, forced labor, or imprisonment.</li></ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_10699/">http://www.consultant.ru/document/cons_doc_LAW_10699/</a></p>	<p>While there is no concept of harassment in its broad meaning in the Russian legislation, the Constitution of the Russian Federation protects personal dignity and prohibits abusive or degrading treatment or punishment. In addition, the right of an employee to protect his/her dignity in the workplace is one of the main principles of the Russian Labor Code. However, Russian legislation and legal practice do not cover such aspects as mental harassment (e.g. pressure from the team manager to work overtime, or sexual harassment, i.e. staff making sexual allusions ). Overall, the Russian legislation is <u>inferior</u> to the Guiding Principles and Practical Guidance.</p>
<p>8. Non-Discrimination</p>	<p>Labor Code of the Russian Federation of 30.12.2001 N 197-FZ (ed. of 16.12.2019) (Трудовой кодекс Российской Федерации" от 30.12.2001 N 197-ФЗ (ред. от 16.12.2019))</p> <ul style="list-style-type: none"><li>▪ <i>Scope of the legislation</i> - The Russian Labor Code prohibits discrimination in the workplace.</li><li>▪ <i>Key points for suppliers</i></li></ul>	<p>The Russian legislation is <u>similar</u> to the Guiding Principles and Practical Guidance, for they prohibit discrimination based on any reasons that are not related to an employee's competencies.</p>

## LEGISLATION SUMMARY: RUSSIA

*Expectations towards suppliers as defined in the Guiding Principles and local legislation*

- Employees cannot be discriminated based on their gender, race, skin color, nationality, language, origin, financial status, family, social and professional occupation, age, residence, religion, beliefs, affiliation or non-affiliation with associations or other social groups, and other reasons, which are not related to their competences.
- Employees who face discrimination in the workplace have the right to apply to the court for a remedy and compensation of material and moral damage.

Source: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_34683/](http://www.consultant.ru/document/cons_doc_LAW_34683/)

# LEGISLATION SUMMARY: RUSSIA

Expectations towards suppliers as defined in the Guiding Principles and local legislation



## 3. Environment

**Guiding Principles:** Companies are expected to support a proactive approach to environmental responsibility by protecting the environment, conserving natural resources and reducing the environmental footprint of their production, products and services throughout their life-cycle.

Topic	Relevant local legislation	Benchmark against Guiding Principles / Practical Guidance
<p>1. Energy Consumption &amp; Greenhouse Gas Emissions</p>	<p><b>Energy Consumption</b></p> <p>Federal law “On Energy Conservation and Increase of Energy Efficiency” of 23.11.2009 N 261-FZ (last version) (Федеральный закон "Об энергосбережении и о повышении энергетической эффективности и о внесении изменений в отдельные законодательные акты Российской Федерации" от 23.11.2009 N 261-ФЗ (последняя редакция))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- The federal law establishes the legal, economical, and organizational framework for the stimulation of energy conservation and improvement of energy efficiency.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- This federal law prohibits or limits production and trade of goods with low energy efficiency in the event there are alternative goods with high energy efficiency and sets requirements for the energy efficiency of goods and services (Art. 9).</li> <li>- Companies are required to track production, transfer, and consumption of energy. Companies pay for energy consumption based on quantitative terms (Art. 13).</li> </ul> </li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_60683/">http://www.consultant.ru/document/cons_doc_LAW_60683/</a></p> <p><b>Greenhouse Gas Emissions</b></p> <p>The draft law “On State Regulation of Greenhouse Gas Emissions” (prepared by the Russian Ministry of Economic Development) (not submitted to the State Duma, text of 27.03.2019) (Проект Федерального закона "О государственном регулировании выбросов и поглощений парниковых газов и о внесении изменений</p>	<p>The Russian legislation is <u>less strict</u> than the Guiding Principles and Practical Guidance, as it only requires companies to track energy consumption and look for methods to improve energy efficiency. Although the Russian government established the strategy for reducing greenhouse gas emissions until 2050, respective legislation is not yet in place.</p>

# LEGISLATION SUMMARY: RUSSIA

## Expectations towards suppliers as defined in the Guiding Principles and local legislation



	<p>в отдельные законодательные акты Российской Федерации" (подготовлен Минэкономразвития России) (не внесен в ГД ФС РФ, текст по состоянию на 27.03.2019))</p> <p>In line with the Paris Agreement within the United Nations Framework Convention on Climate Change (2015), the Russian government established the strategy for reducing greenhouse gas emissions until 2050. The draft law on state regulation of greenhouse gas emissions was prepared in the regulatory working groups; however, not submitted for review.</p> <p>The Ministry of Economic Development considers four scenarios of climate change regulations, among which the basic scenario is currently the preferred option. According to the basic scenario, greenhouse gas emissions will be reduced by 36% compared to the level seen in 1990. The scenario suggests the following measures: large-scale implementation of energy efficient technologies in manufacturing, buildings, and transportation; increase in recycling rates; support of production and use of energy efficient products; and enhanced protection of forest from fires, pests, and deforestation.</p> <p>Source:  <a href="https://www.rbc.ru/business/23/03/2020/5e73c8739a7947f53f4f3a06">https://www.rbc.ru/business/23/03/2020/5e73c8739a7947f53f4f3a06</a></p>	
<p>2. Water Quality &amp; Consumption</p>	<p>Water Code of the Russian Federation of 03.06.2006 N 74-FZ (ed. of 02.08.2019) (as amended and supplemented of 01.01.2020) ("Водный кодекс Российской Федерации" от 03.06.2006 N 74-ФЗ (ред. от 02.08.2019) (с изм. и доп., вступ. в силу с 01.01.2020))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- The code is based on a few principles among which is the priority of water bodies protection over their use. Thus, the use of water bodies must not have negative effects on the environment.</li> <li>- The code also aims to preserve specially protected water bodies.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- This federal law defines water-quality objectives and sets acceptable impacts on water bodies, which are based on limits on the concentration of chemical substances, radioactive materials, microorganisms, and other indications of water quality applicable to water bodies (Art. 35).</li> <li>- The number of substances and microorganisms in wastewater and drainage water should not exceed established limits (Art. 35).</li> </ul> </li> </ul>	<p>The Russian legislation is <u>similar</u> to the Guiding Principles and Practical Guidance, for they expect companies to preserve water resources through and assessment of water stress in operations and throughout the life-cycle and integrate water management in the business plan.</p>

# LEGISLATION SUMMARY: RUSSIA

Expectations towards suppliers as defined in the Guiding Principles and local legislation



- Companies are required to monitor water consumption, wastewater (including drainage water), and their quality, regularly observe water bodies and protective areas, and provide reports to federal authorities when requested (Art. 39).
- Companies that use water bodies must implement measures for water bodies protection (Art. 55).
- The dumping and disposal of production and consumption waste, including vessels, floating equipment (its parts and mechanisms), and nuclear and radioactive materials is prohibited. Performing works, which result in the emission of suspended solids, is permitted only in compliance with legal requirements (Art. 56).
- Water bodies should not exceed the limits of radioactive materials, pesticides, agrochemicals, and other substances harmful to an individual's health. Discharge of waste-water in water bodies is prohibited in the event waste-water contains harmful to an individual's health substances, which exceeded established limits (Art. 56).

Source: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_60683/](http://www.consultant.ru/document/cons_doc_LAW_60683/)

<p>3. Air Quality</p>	<p>Federal law "On Protection of Atmospheric Air" of 04.05.1999 N 96-FZ (last version) (Федеральный закон "Об охране атмосферного воздуха" от 04.05.1999 N 96-ФЗ (последняя редакция))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- The federal law establishes the legal framework for the protection of atmospheric air and aims to support the constitutional rights of citizens to a healthy environment.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- In order to assess air pollution and regulate air emissions, the law defines hygienic and environmental air quality standards and establishes emission limits (Art. 11, Art. 12).</li> <li>- Based on the categorization of entities that have a negative effect on the environment defined in Federal law "On Protection of Environment," companies are required to apply for an integrated environmental permit (category I), complete and file a declaration on environmental effects to federal or regional authorities (category II), or submit a statement on air emissions (category III) to federal or regional authorities. The category is determined when the company is registered in the government record of entities that have a negative effect on the environment (Art. 15).</li> </ul> </li> </ul>	<p>The Russian legislation requires companies to monitor air emissions, integrate air emission controls into their activity, implement the best available technology, and establish a management plan to detect, utilize, reduce, and eliminate air emissions. Therefore, the Russian legislation is <u>similar</u> to the Guiding Principles and Practical Guidance.</p>
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# LEGISLATION SUMMARY: RUSSIA

Expectations towards suppliers as defined in the Guiding Principles and local legislation



	<ul style="list-style-type: none"> <li>- Companies whose activities cause harmful chemical, biological, or physical effects on air are required to conduct production control, protect air, and provide information and documentation requested by authorities in the event of inspection (Art. 25).</li> <li>- Companies are required to pay for air emissions from stationary sources (Art. 28).</li> <li>- Companies, which have stationary sources of air pollution, are required to do the following: monitor air emissions; implement best available, zero-emission, and low-emission technology; plan to detect, utilize, reduce, and eliminate air emissions; prevent accidental releases; and promptly collect waste, which causes negative effects on air (Art. 30).</li> <li>- Companies, which have mobile sources of air pollution, must not exceed emission limits (Art. 30).</li> <li>- In the event of violation against the law, entities take criminal, administrative, and other responsibilities (Art. 31).</li> </ul> <p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_22971/">http://www.consultant.ru/document/cons_doc_LAW_22971/</a></p> <p><b>Law on impact assessment</b>          Prior to start working, every company or new facility needs to prepare a socio-economic impact assessment and undergo ecological expertise which describes in detail all impact on environment, including air emissions. The results of such expertise are described in a document "Socio-ecological Impact assessment". There are regular audits from regulatory bodies which check if the companies work as planned and produce emissions and other negative impact as planned in the document.          Source: <a href="http://base.garant.ru/12120191/">http://base.garant.ru/12120191/</a></p>	
<p>4. Natural Resources Management and Waste Reduction</p>	<p>Federal law "On Waste Production and Consumption" of 24.06.1998 N 89-FZ (last version)          (Федеральный закон "Об отходах производства и потребления" от 24.06.1998 N 89-ФЗ (последняя редакция))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- The federal law establishes legal foundations for production and consumption waste management and strives to ensure the use of waste as a source of raw materials.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- While disposing of waste (with an exception of solid communal waste), companies must pay for a negative effect on the</li> </ul> </li> </ul>	<p>In recent years, the Russian legislation focuses on natural resources management and waste reduction.</p> <p>Nonetheless, the Russian legislation is <u>less strict</u> than the Guiding Principles and Practical Guidance, as it does not require companies to establish a waste management hierarchy in priority order: prevention, reduction, re-use, recovery, recycling, removal, and disposal of wastes. In particular, the waste recycling industry is dramatically underdeveloped.</p>

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environment. The payment is waived in the event a company disposes waste at the facility, which does not have a negative effect on the environment (Art. 23).

- The law stimulates companies with economic incentives to reduce waste and use biodegradable packaging in their operations (Art. 24).
- Companies that produce goods in the Russian Federation and/or import goods from the Eurasian Union or third countries are required to comply with applicable utilization norms in regard to goods and packaging (Art. 24.2).
- Companies that produce and/or import certain goods and packaging (as defined in the legislation) must pay an environmental charge (Art. 24.5).
- Companies should conduct production control in regard to waste management (Art. 26).

Source: [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_19109/](http://www.consultant.ru/document/cons_doc_LAW_19109/)

Federal law of 17.06.2019 N 141-FZ "On Changes to the Code of the Russian Federation on Administrative Offences"

(Федеральный закон от 17.06.2019 N 141-ФЗ "О внесении изменений в Кодекс Российской Федерации об административных правонарушениях")

- *Scope of the legislation*
  - The federal law establishes administrative responsibility for violations against the extended producer responsibility.
- *Key points for suppliers*
  - This law sanctions a company in the form of a fine (70-150 thousands of Russian Rubles) for the late submission of a report on compliance with waste utilization norms and a declaration about the number of produced goods/packaging.
  - The law sanctions a company in the form of a fine (not less than 250 thousands of Russian Rubles) for the submission of the above-mentioned documentation that contains incomplete or unreliable data.
  - The law sanctions a company in the form of a fine (not less than 500 thousands of Russian Rubles) for not paying an environment charge on time.
  - Lastly, the law establishes sanctions against violations in regard to the handling of production and consumption waste, ozone-depleting substances, and other harmful substances.

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	<p>Source: <a href="http://www.consultant.ru/document/cons_doc_LAW_326892/">http://www.consultant.ru/document/cons_doc_LAW_326892/</a></p> <p>The draft law on the handling of secondary resources is prepared in the regulatory working groups. The law aims to ensure resource conservation and improvement of production efficiency in regard to the use of resources. The law prioritizes the modernization of the production process and the use of secondary resources.</p>	
<p>5. Responsible Chemical Management</p>	<p>“State Standard 30333-2007. Chemical Production Safety Passport. General Requirements” (entered in force by the Order of Rostechregulation of 12.08.2008 N 164-st)          ("ГОСТ 30333-2007. Паспорт безопасности химической продукции. Общие требования" (введен в действие Приказом Ростехрегулирования от 12.08.2008 N 164-ст))</p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation</i> <ul style="list-style-type: none"> <li>- This national standard sets the main requirements for chemical production (substance, mixture of substances, material, and production waste) safety passport.</li> <li>- Chemical production safety passport is a required component of technical documentation on chemical production. The passport provides consumers with reliable information about the safety of industrial use, storage, transport, and utilization of chemical production.</li> </ul> </li> <li>▪ <i>Key points for suppliers</i> <ul style="list-style-type: none"> <li>- The passport should contain brief and easy to understand information, which is sufficient for customers to implement measures to ensure the health and safety of employees and protect the environment during the life-cycle of chemical production.</li> <li>- The safety passport should include the following sections in the specific order: identification of chemical production and information about the producer or supplier; identification of risks; composition (components); physical and chemical characteristics; stable and reactive capacity; information about toxicity and impact on the environment; etc.</li> <li>- In addition, the safety passport should include measures to provide first aid help, ensure fire and explosion safety, and prevent and eliminate accidents, crises, and their consequences.</li> </ul> </li> </ul> <p>Source: <a href="http://www.gostinfo.ru/pages/pasport">http://www.gostinfo.ru/pages/pasport</a></p>	<p>In a <u>similar</u> vein with the Guiding Principles and Practical Guidance, the Russian legislation requires companies to identify and manage chemicals to ensure their safe handling, industrial use, storage, transport, and utilization. Companies should provide Chemical Production Safety Passport (Material Safety Data Sheets) with all necessary, but easy to understand information. While companies are not required to establish IMDS or equivalent programs to collect data from material manufacturers for all components, the majority of big market players implement this practice in their daily operations.</p>