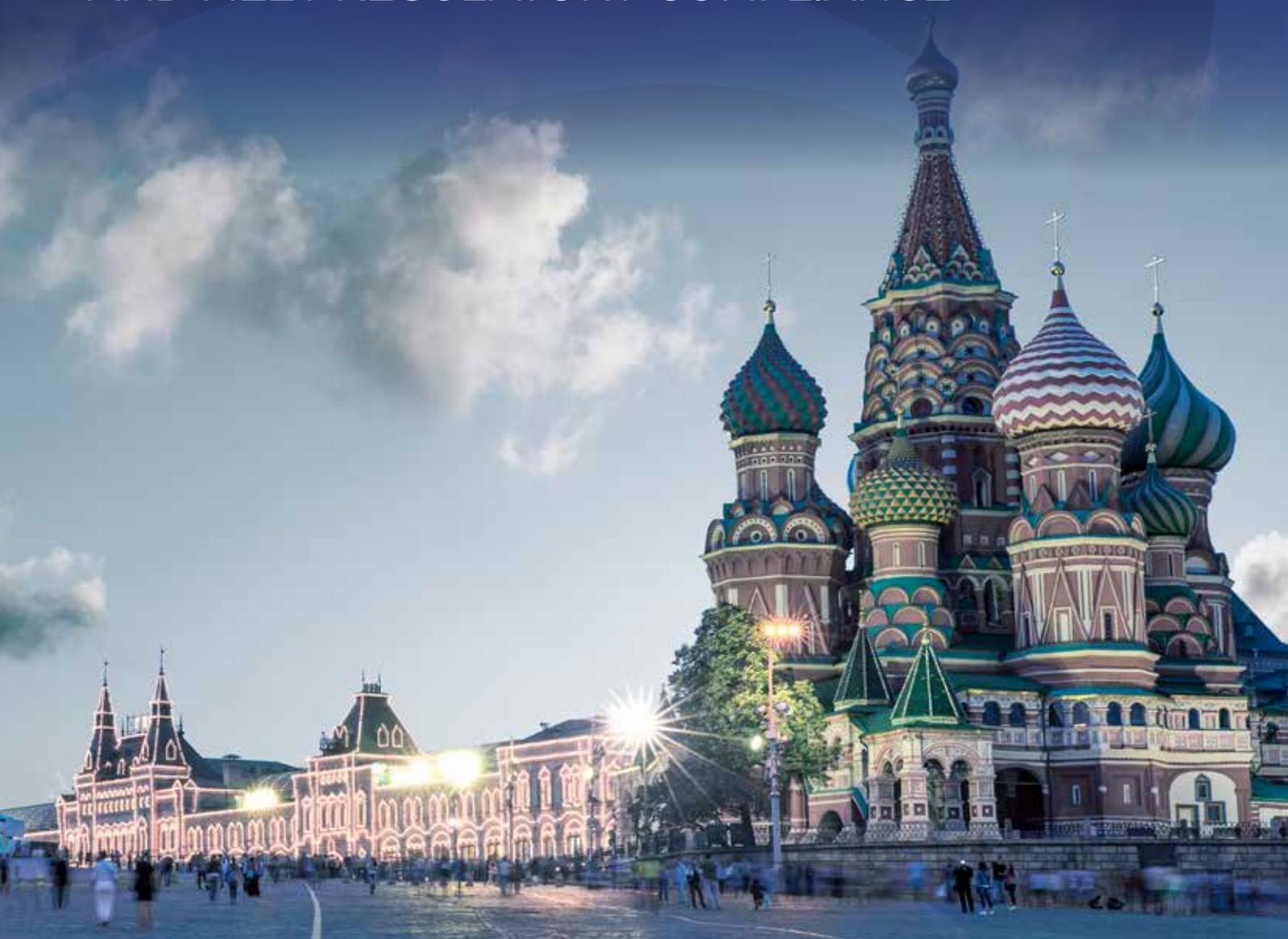




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INVESTING AND OPERATING IN RUSSIA

INTRODUCTION

Doing business in Russia can present various challenges for organisations. These include a harsh climate, environmental pollution, complex socio-economic factors, a vast area and varying levels of health services. Other challenges relate to compliance with health and safety requirements. Contradictory, excessive and poorly defined legislative regulations in this area can cause problems for employers trying to comply. The legal framework of the Russian Federation is very complex as it has legal acts dating back from USSR combined with the latest laws which introduce new institutions and concepts, coming from various federal and regional agencies, offices, administrations and other government authorities. Employers not only have to find the right legal standards, but they must also understand how to meet all of the mandatory regulations.

The lack of a clear understanding of the requirements and non-compliance with the law can lead to serious violations, accidents, legal actions and financial expenditures. These issues apply to every company doing business in Russia, in particular foreign companies, which:

- draw increased attention from government authorities;
- face additional challenges such as language problems;
- have a specific nature of the Russian legal framework with origins in USSR legislation.

This document deals with the most complex and contradictory legal requirements pertaining to occupational health and safety, harm prevention, current common law practices and guidance on the problems employers face in the field of occupational health.

PREFACE

For organisations, Russia can pose various challenges when trying to comply with their health and safety regulations. Organisations have a moral and legal responsibility to provide Duty of Care to their employees and understanding the Occupational Health standards in the country is the first step. Failure to adhere to these regulations can be costly, timely and have a negative effect on an organisations reputation.

The legal framework that currently exists is complex, as it combines acts dating back to the USSR with modern legislation coming from government authorities. Therefore, it is critical for organisations to understand the relevant legal standards for their business and fully understand how best to meet the mandatory regulations. Exposure to occupational hazards, requirements for medical examinations, requirements for training employees and managing facilities with the appropriate medical staff and equipment are all local challenges organisations must overcome. Approaching these problems based on comprehensive analysis, has allowed global industry leaders to develop and implement integrated solutions. This includes preventative measures, on-going risk monitoring, predicting potential emergencies and mitigation measures.

When implementing preventative measures and mitigating the potential risks of legal actions, international standards and best practices related to occupational safety and health developed by leading global companies' needs to be followed. This paper will highlight the health risks, current healthcare system, occupational health regulations, current common law practices and guidance on the problems employers face in the field of occupational health.

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EXPOSURE TO OCCUPATIONAL HAZARDS

There are several requirements for facilities whose employees are exposed to occupational hazards (i.e. chemical agents, carcinogens, biological agents, noise and vibration).

The standard requirements in the event of employee exposure to occupational hazards are as follows:

1. The facility identifies all employees exposed to occupational hazards and then issues an internal order with a list of such employees.
2. These employees receive personal protective equipment according to the standards that are in place (i.e. Order No. 906-n of 11 August 2011 provides such standards for the chemical industry).
3. The facility supplies milk to employees exposed to chemicals, biological agents and ionizing radiation.
4. The facility conducts a preventative health examination on a regular basis. The frequency of the examinations depends on the particular working conditions.

While most standard requirements are commonly used and can be found in the laws of other countries, the requirement to supply milk is specific to Russia.

According to this requirement, the facility must supply milk to its employees exposed to particular chemicals, biological hazards and ionizing radiation, as listed in Order No. 45-n of 16 February 2009.

Every employee has the right to 0.5 L of milk per shift, regardless of the duration. Milk may not be replaced with sour cream, butter or other products, apart from those listed in Table 1 of the Order (i.e. curd cheese with a fat content of up to 9%).

Milk can be replaced with other products only subject to the employee's consent and with due regard for the opinion of the primary trade union organisation or other employee representative body. If the working conditions are classed as "harmful" (i.e. according to the results of a special assessment of working conditions), milk may be replaced with other products, if approved by Rospotrebnadzor.

The facility can provide monetary compensation instead of free milk or other approved products, upon receipt of a written application from the employee.

5. If the results of the special assessment show that the employee's working conditions are safe, the employer can stop issuing free milk or equivalent food products, with due regard for the opinion of the primary trade union organisation or other employee representative body.

An organization whose employees which have exposure to occupational hazards and chemical agents should pay attention to two important abbreviations — MPC and OEL.

Maximum Permissible Concentration (MPC) is used as the equivalent for the international term Occupational Exposure Limit (OEL). According to this term, the facility ensures that the concentration of chemicals in the work place air does not exceed the maximum allowable concentration, as specified in the relevant exposure standards.

OEL references the levels of impact applied to harmful substances for which MPC is not yet introduced.

The same applies to MPC in which organisations must ensure that the concentration of microorganisms and biological agents in the air at the workplace should not exceed the maximum allowable concentrations, provided the relevant sanitary rules.

Every employee has the right to 0.5 L of milk per shift, regardless of the duration.

The challenges an employer faces when trying to comply with MPC and OEL directly correlates to the nature of legal standards regulating these requirements, which could lead to problems when specifying requirements for a certain facility. Another challenge is that these terms are not used in international practice which poses a challenge for foreign companies operating in Russia.



REQUIREMENTS FOR MEDICAL EXAMINATIONS

The next key aspect of occupational health is medical examinations. According to Article 213 of the Russian Federation Labour Code, every company shall conduct mandatory preliminary and periodic medical examinations for the following three types of employees.

1. Medical examinations are conducted for employees exposed to harmful and/or hazardous occupational factors. Appendix 1 to Order No. 302-n of 12 April 2011 provides a list of harmful occupational factors, the requirements for examination rate, the list of medical specialists involved, types of laboratory, types of functional tests and establishes additional medical contraindications.
2. Medical examinations should be conducted for employees performing the activities listed in Appendix 2 to Order No. 302-n, such as working at heights, underground work and work related to maintenance of pressure vessels.
3. Regardless of the type of work and working conditions, all employees under the age of 18 are subject to a mandatory preliminary medical examination.

One of the practical difficulties of medical examinations for these categories of employees is the inconsistency between the interpretation of the names of harmful or hazardous working conditions, types of work covered by Order No. 302-n and the names listed in the conclusions of SOUT (Special Evaluation of Working Conditions), which was developed to determine if the specific employee is affected by any substance or conditions as listed by the legislative authority.

In order to conduct preventative and periodic health examinations, the healthcare facility must hold the respective service licence, issued by the local licensing authority (i.e. Licensing Committee of the Department of Health of a federal constituent entity of the Russian Federation).

The practical difficulties in conducting these examinations are the lack of specific medical specialists and healthcare facilities which have the licence to perform such examinations, especially in the remote regions of Russia. For example, an examination is done by an addiction psychiatrist and then a medical report is prepared in a separate medical facility (i.e. narcological dispensary). In some medical facilities, where there are no specialists available, the examination is conducted by healthcare

professionals with a similar specialization (i.e. a physician instead of a neurologist or a physician instead of an infectiologist). This of course can decrease the accuracy and quality of the examination.

It is important to note that due to numerous requirements which are not always reasonable, such medical examinations could cost up to \$150 per person.

In January 2016, the Ministry of Health prepared a draft order to replace the current Order No. 302. In the event of its adoption, it will introduce a uniform classification for harmful and hazardous working conditions, reduce the number of medical staff required for an examination in every medical facility, cancel costly tests and reduce the list of chemicals which require a medical examination.

In addition to the above, and according to Paragraph 3, Article 213 of the Russian Federation Labour Code, as well as preventive and periodic health examinations for specific categories of employees, a mandatory health examination could be stipulated at the beginning of a working day/shift, during a working day/shift or at the end of a working day/shift. The employees who have to attend the medical examinations include:

- Employees directly involved in servicing electricity generation facilities (paragraph 1 Clause 3 Article 28 of Federal Law No. 35-FZ of 26 March 2003). The examination procedure is approved by Order No. 390 of the Ministry of Energy of the Russian Federation of 31 August 2011, pursuant to paragraph 2 Clause 3 Article 28 of Federal Law No. 35-FZ of 26 March 2003, and in line with the provisions in paragraph 1 Clause 1, Subclause 4.2.15 of Clause 4 of the Regulation on the Ministry of Energy of the Russian Federation approved by Russian Federation Government Decree No. 400 of 28 May 2008;
- Public rail workers and employees whose duties are directly related to train operation and shunting, as well as the list of professions defined by the federal government agency applicable to railway traffic (paragraph 2 Clause 3 Article 25 of Federal Law No. 17-FZ of 10 January 2003). The examination procedure is approved by Order No. 154 of the Ministry of Transportation of the Russian Federation of 16 July 2010, pursuant to paragraph 3 Clause 3 Article 25 of Federal Law No. 17-FZ of 10 January 2003, and in line with the provisions of paragraph 1 Clause 1, Subclause 5.2.55 Clause 5 of the Regulation on the Ministry of Transport of the Russian Federation approved by Russian Federation Government Decree No. 395 of 30 July 2004;

REQUIREMENTS FOR MEDICAL EXAMINATIONS

- Employees involved in underground work (Part 2 Article 330.3 of the Russian Federation Labour Code). The examination procedure for such employees at the start of a working day/shift, during a working day/shift or at the end of a working day/shift is established by the Ministry of Public Health of the Russian Federation (Part 5 Article 330.3 of the Russian Federation Labour Code, Clause 1 of the Regulation on the Ministry of Transport of the Russian Federation approved by Russian Federation Government Decree No. 608 of 19 June 2012). Currently, under Order No. 835-n of 15 December 2014 of the Ministry of Public Health of the Russian Federation, according to Part 7 Article 46 of Federal Law No. 323-FZ of 21 November 2011 and Clause 5.2.54 of the above-noted Regulation, the approved procedure for pre-shift, pre-trip, post-shift, and post-trip medical examination, is applicable to employees involved in underground work;
- Vehicle operators, including drivers of company cars. This follows from part 3 Article 213 of the Russian Federation Labour Code, paragraph 43 Clause 4 Article 3 of Federal Law No. 196-FZ of 10 December 1995. Medical examinations for such employees are conducted according to the above mentioned procedure for the pre-shift, pre-trip, post-shift, and post-trip medical examination — employees operating vehicles. This subject will be discussed later in more detail.

definition of the mode of study and the duration of training. This creates difficulties between foreign companies and Russian contractors.

While employers have a responsibility to ensure first aid training for their employees, it is not as clear when it comes to providing facilities with medical staff. For example, Federal Law No. 323-FZ of 21 November 2011 "On fundamental healthcare principles in the Russian Federation" (Clause 4 Article 24) introduces the right of the employer to add healthcare professionals to their facility staff and create divisions (i.e. physician's office, health centre, medical examination room and medical unit). This provides medical assistance for the facility's employees in order to protect their health and to conduct health examinations at the start of a working day/shift, during a working day/shift or at the end of a working day/shift for the above mentioned categories of employees and according to paragraph 3 Article 213 of the Russian Federation Labour Code.

Pursuant to Clause 3 of Order No. 911-n of 13 November 2012 "On Approval of the Procedure for Providing Medical Assistance in Acute and Chronic Occupational Diseases", some categories of facilities (i.e. those with more than 1201 employees) have to give medical assistance for acute and chronic occupational diseases by arranging a doctor's/feldsher's* station at the facility, as well as an occupational pathology office, occupational pathology units and occupational pathology centres.

Clause 8.2 of the "Basic Framework for Work on a Rotational Basis", approved by Decree No. 794/33-82 of 31 December 1987 of the USSR State Committee for Labour, the Secretariat of the All-Union Central Soviet of Trade Unions and the USSR Ministry of Public Health, stipulates that the employer owning rotation camps must provide workers in the rotation camps with medical assistance through healthcare facilities, medical and pharmaceutical staff, medicines, medical equipment and allow for the evacuation of the diseased.



*The word, feldsher is a Russian term for paramedic

According to Clause 8.5 of the above document, healthcare professionals and healthcare facilities in the area where rotation camps are placed must provide rotation workers with medical assistance by establishing:

- feldsher's stations — with the number of employees starting from 50,
- doctor's stations — with the number of employees starting from 500,
- ambulance stations — 1,500 employees and more,
- medical teams — up to 50 employees; the frequency of calls is to be agreed with corporate management.

Providing medical assistance at production sites is the responsibility of the local state healthcare facilities who have extremely limited capabilities, especially in remote areas.

Employers have the right to add healthcare professionals to their facility, which, at first glance, does not seem to be a mandatory requirement, but in case of an emergency or medical incident, it could constitute grounds for a corresponding investigation.

The next list is a sample of standard feldsher's station facilities, according to Appendix No. 20 to the Regulation "On the Organization of the Provision of Primary Healthcare to the Adult Population" approved by the Order No. 543-n of 15 May 2012 of the Ministry of Health Care and Social Development of the Russian Federation.

EQUIPMENT (INSTRUMENT) NAME - REQUIRED QUANTITY, PCS	
• Handheld ECG Recorder, 6-channel	at least 1
• Automatic External Defibrillator	at least 1
• Handheld Blood Sugar Analyzer	at least 1
• Stretcher (type not indicated)	at least 1
• Portable Machine for Artificial Lung Ventilation	at least 1
• Oxygen inhaler (any type)	at least 1
• Baby changing table with beam light source	
• Artificial airways for artificial mouth-to-mouth resuscitation	

The above list is extremely generalized and does not correlate with the specific features of the organisation and its location, nor does it provide clear requirements for the basic equipment characteristics and allowance based on the number of employees.

One of the greatest challenges for the employer is trying to comply with the requirements related to the prevention of harm at the facility. This not only includes providing first aid training for employees, but also to take appropriate measures for the prevention of possible risk resulting from untimely or insufficient medical assistance to employees, given the complexity of the legal framework and current situation in the region.

First aid training and medical staffing/equipment requirements.

The requirements related to occupational safety and health, which impacts the prevention of harm at the facility, includes first aid training for employees, as well as providing facilities with medical staff, medical equipment and first-aid kits.

According to articles 212, 214, 225 and 228 of the Russian Federation Labour Code No. 197-FZ of 30 December 2001, and to the Decree No. 1/29 of 13 January 2003 of the Ministry of Labour and the Ministry of Education of the Russian Federation "On Approval of the Procedure for the Instruction in Occupational Health and Safety and Assessment of Knowledge of Occupational Health and Safety Requirements for Employees" (Clause 2.2.4), upon hiring (no later than one month after hiring) and at least once a year, the employer shall provide and employees shall attend first aid training. The necessity for the training is mentioned, yet there is no clear



EMPLOYER'S RESPONSIBILITIES

A negligent attitude to professional safety and harm prevention can result in considerable financial and/or legal liabilities for the Employer.

Legal norms related to the prevention, compensation, or occurrence of harm during the performance of professional job functions, constitutes a civil legal liability for infliction of harm (articles 1064, 1068 – 1070, 1079 of the Civil Code of the Russian Federation).

For example, according to Article 1068 of the Civil Code of the Russian Federation, a legal entity pays for harm inflicted to its employees during performance of their professional job functions.

According to the Clause 1 of Article 1079 of the Civil Code of the Russian Federation, legal entities and individuals performing activities that are deemed higher-risk (i.e. operating vehicles, machinery, high-voltage electrical power, nuclear power, explosives, strong poisons or performing construction) must pay for harm inflicted by the source of the high risk, unless they prove that the harm was due to an insuperable force or intended by the injured person.

Legal precedents covering the above Article include several thousand judicial cases. We will discuss just a few of them.



CASE 1

In 2012 a plaintiff filed a lawsuit against OOO “Monolit” searching for compensation for psychological damage due to occupational death (of the plaintiff’s husband) as a result of the occupational accident. The stated claims are motivated by the fact that the husband of the plaintiff was in an employment relationship with the defendant.

Under the Employer’s directive, the plaintiff’s husband was sent to Tyumen Region to perform insulation and laying works as part of overhaul repairs to a linear section of the main “Jamburg-Povolzhje” pipeline.

While performing manual degreasing of the pipeline, with instruction from the Employer, the plaintiff’s husband slipped on the oil and fell from a height of 2 metres to the bottom of a trench, striking his left shoulder and the left side of his head. He died of a hemorrhage and brain oedema in the intensive care unit of the Nyagan district hospital.

After his death, an inspection was conducted by the department head, the Chief State Labour Inspector in the Khanty-Mansiysk Autonomous District – Yugra and the Head of the Health and Safety Department of OOO “Monolit”, and the opinion of the State Labour Inspector was then compiled on the fatal accident, and then stated the following:

The construction Department of OOO “Monolit” had been performing overhaul repairs on the main “Jamburg-Povolzhje” pipeline.

- After a rest break the insulation worker (the plaintiff’s husband) was sent to Tyumen Region to perform insulation and laying works as part of the overhaul repairs of the line section of the main “Jamburg-Povolzhje” pipeline.
- The plaintiff’s husband climbed the pipeline using the access ladder, where he mixed oil with snow and cleaned it with a scraper at a height of two metres from the bottom of the trench.
- After completing this task he attempted to jump off the pipeline, but slipped on the oil and fell, striking his head and left shoulder.
- After falling from height he refused medical examination.
- Later he died of a closed craniocerebral injury in the intensive care unit of the Nyagan District Hospital.

The same authorised personnel acknowledged the following violations:

- Violation of the working procedure: when climbing down from a pipeline from a height of more than 1.3 metres, the plaintiff’s husband did not use means of access to the ladder;
- OOO “Monolit” officials were not monitoring the performance and safety of manual degreasing of the pipeline or the employee’s use of personal protective equipment. It has been discovered that during repairs of the main pipeline the employees were not using the PPE provided (safety helmets):
 - when falling from the pipeline the insulation worker (the plaintiff’s husband) was not wearing a safety helmet and sustained a head injury;
 - after sustaining the injury, the plaintiff’s husband did not report straight away to his immediate supervisor;
 - after the insulation worker informed the supervisor about the fall and the pain in his shoulder, the general foreman of OOO “Monolit” did not suspend the employee from his work, did not direct him to the medical facility and did not inform his manager about the injury;
- Doctors at the municipal budgetary health-care institution Oktyabr’skaya Central District Hospital of the Priobskaya Municipal Hospital made an incorrect diagnosis.
- Untimely medical treatment, which violates the rules stipulated in articles 21, 76, 214 of the Russian Federation Labour Code, clauses 1.26., 2.3.1., 4.5.1., (B) of the Interindustry Job Safety Rules for Work at Heights POT R M-012-2000, clauses 1.3., 1.18., 1.24 of the Workplace Safety Guidelines for the Site Supervisor (general foreman, foreman), clauses 1.3, 2.1 of the Workplace Safety Guidelines for the Head of the Construction Department, Clause 4.2 of the Workplace Safety Guidelines for Insulation Workers, Clause 3.2 of the Internal Code of Labour Conduct, clauses 4.3.5, 4.3.6. of the Labour Agreement, Clause 4.3.10 of the Amendment to the employee’s Labour Agreement.

In assessing the evidence, the Court decided that the cause of the occupational accident suffered by the plaintiff’s husband was:

- the lack of appropriate safe labour conditions at OOO “Monolit”,
- the lack of appropriate monitoring of the work in progress by the persons in charge (managers and specialists),
- the failure to suspend the employee from work, and
- untimely referral to a medical facility.

In support of the stated claims, the plaintiff indicates that the wrongful acts of the defendant had inflicted moral harm to the plaintiff. This resulted in mental suffering and emotional distress which the plaintiff valued at an amount equivalent to \$33,000. According to the explanations in the Resolution of the Plenum of Supreme Court of the Russian Federation No. 10 of 20 December 1994 “On some aspects of the legal regulation of compensation for moral harm”, moral harm, among other things, may involve mental suffering due to the loss of relatives.

The Court held that due to the death of her husband from the workplace accident, the plaintiff had undergone and was still undergoing physical and mental suffering, and partly satisfied her claim for compensation, compelling the employer to pay the plaintiff an amount equivalent to \$9,000.



“In support of the stated claims, the plaintiff indicates that the wrongful acts of the defendant had inflicted moral harm to the plaintiff.”

Source: http://bel.hmao.sudrf.ru/modules.php?name=press_dep&op=1&did=319

CASE 2

In 2010 a plaintiff filed an action with the Leninsk-Kuznetsk Municipal Court against OAO "Aleksiyevskaya Mine" for compensation for moral harm, alleging that during performance of his employment duties he sustained a workplace accident. He sustained injuries involving the penetration of the cornea by an intraocular foreign body and traumatic cataract of the right eye resulting in loss of vision.

According to the occupational accident report, the defendant was found 100% responsible with no liability at all on the part of the plaintiff. The court held that during performance of his employment duties at OAO "Aleksiyevskaya Mine", the plaintiff was injured as a result of a workplace accident in the following circumstances.

- At the 1st shift the mine overseer issued the plaintiff a permit to alter jointing at the second belt of a 2L-100u extensible belt conveyer at the southern storage drift of the Neslozhny area.
- At the end of the shift, at approx. 3 p.m., the second mine mechanic issued the plaintiff an additional permit for bearing replacement on the first reducer of the first belt.
- During manual striking off of the bearing with a booster and a heavy hammer, a metal fragment broke off and injured the plaintiff's right eye, leading to a penetrating corneal injury with intraocular foreign body, a traumatic cataract of the right eye resulting in loss of vision — injuries qualified as severe damage to health.

The causes of the accident are as follows:

- violation of the working procedure during bearing replacement;
- failing to provide the employee with personal protective equipment (protective eye wear);
- insufficient occupational safety training.



The individuals who breached the above violations of labour protection were as follows:

- General Manager of OAO "Aleksiyevskaya Mine".
 - for failing to ensure safety in the workplace;
 - for violating Clause 9.1FZ "On Industrial Safety of Hazardous Production Facilities", clauses 22 and 212 of the Russian Federation Labour Code.
- Overseer of the underground transport division of OAO "Aleksiyevskaya Mine"
 - for failing to ensure safety during replacement of the reducer bearing,
 - for allowing work without personal protective equipment (protective eye wear),
 - for violating Clause 9.1FZ "On Industrial Safety of Hazardous Production Facilities", clauses 22 and 212 of the Russian Federation Labour Code
- Mechanic of the underground transport division of OAO "Aleksiyevskaya Mine"
 - for failing to ensure safety during replacement of the reducer bearing,
 - for allowing work without personal protective equipment (protective eye wear),
 - for violating Clause 9.1FZ "On Industrial Safety of Hazardous Production Facilities", clauses 22 and 212 of the Russian Federation Labour Code
- Second mechanic of the underground transport division of OAO "Aleksiyevskaya Mine"
 - for failing to ensure safety during replacement of the reducer bearing,
 - for allowing work without personal protective equipment (protective eye wear),
 - for violating Clause 9.1FZ "On Industrial Safety of Hazardous Production Facilities", clauses 22 and 212 of the Russian Federation Labour Code
- Mine foreman of the underground transport division of OAO "Aleksiyevskaya Mine"
 - for failing to ensure safety during replacement of the reducer bearing,
 - for allowing work without personal protective equipment (protective eye wear),
 - for violating Clause 9.1FZ "On Industrial Safety of Hazardous Production Facilities", clauses 22 and 212 of the Russian Federation Labour Code.

The Court found the Plaintiff as having no culpability and ruled that the Defendant was responsible for the Plaintiff experiencing physical and mental suffering as a result of the injury. The inflicted moral harm was estimated in the amount equivalent to \$5,000.

Source: http://uloblsud.ru/index.php?option=com_content&task=view&id=192&Itemid=63&idCard=34284

CASE 3

In 2012 a plaintiff filed a lawsuit against OOO "Simbirskije komunikaciji", seeking compensation for psychological damage due to personal injury as a result of a workplace accident.

The plaintiff had been working as a cableman for OOO "Simbirskije komunikaciji". During one of his working days, specifically at 11 a.m. he was working with a team at a site located at a frame extrusion section on the premises of OAO "Ulyanovsk Mechanical Plant". During a fibre-optic line installation, specifically when routing the fiber optic cable, the plaintiff suffered a workplace accident. A defect in the bus insulation caused a short circuit which caused the protective cover of the bus line to burn. The sparks burnt the plaintiff's clothes and they suffered heat burns.

According to the findings of the Ulyanovsk Central Municipal Clinical Hospital, a municipal health care institution, the injured person did in fact suffer from heat burns. According to the System for Assessing the Severity Level of Damage to Health due to Accidents in the Workplace, the injuries sustained were qualified as severe.

The workplace accident investigation commission performed an examination and drew up a report stating the following reasons for the accident:

- unsatisfactory works organisation;
- insufficient organisation and training of occupational health and safety officers;
- the employee failed to use personal protective equipment, because the employer had not given it to him.

As a result of the work injury, the plaintiff remained in inpatient treatment at the medical facilities in Ulyanovsk and Nizhny Novgorod for a considerable time. A medical examination identified an 80% loss of capacity to work and assigned the plaintiff to disability group II.



Due to a lack of circumstances that would exclude the employer's liability, the court justifiably satisfied the claim for compensation for moral harm, recovering an amount equivalent to \$11,500 in the plaintiff's favour.

According to the report on the workplace accident, the Director of OOO "Simbirskije komunikaciji" violated occupational health and safety requirements in that:

- he failed to ensure the safety of his employees during the fibre-optic line installation,
- he allowed the plaintiff to work independently, despite the fact that at that moment the plaintiff:
 - had not completed a pre-employment medical examination,
 - had not undergone a safety induction, workplace initial training or an apprenticeship;
- he failed to provide the plaintiff with all necessary types of personal protective equipment,
- he violated the requirements of clauses 1.14, 1.15, 1.23, 1.35 of the "Interindustry Occupational Safety Rules for Work at Heights" and clauses 7.1.1, 7.2.1, 7.2.4 of the state standard GOST 12.0.004-90 "Occupational Health and Safety Training Organisation".

Due to a lack of circumstances that would exclude the employer's liability, the court justifiably satisfied the claim for compensation for moral harm, recovering an amount equivalent to \$11,500 in the plaintiff's favour.

Source: <http://medzona-forum.ru/viewtopic.php?id=1530>

KNAUF Group CIS is an international company based on the best principles of family business that have been preserved even with the global scope of its activities. Today the International Group KNAUF is one of the biggest manufacturers of construction materials in the world. Over the 17 years of its activities in Russia, KNAUF has modernized or built 15 large plants. The products comply with international environmental standards and KNAUF's plants in Russia employ more than 6,000 workers.

Work-place Environment

The company believes that the best way to implement the principles of social responsibility is to create new high-quality workplaces which comply not only with state-of-the-art production process requirements but also the highest standards of safety and environment protection. The health of KNAUF's employees is the one of the company's priorities. Workers' satisfaction with their workplace environment is the best guarantee that each worker will perform their work to the highest standard. A person's health is the main indicator of an individual's quality of living, including the quality of his/her workplace where he/she spends half of his/her active life. A clean working environment includes the following aspects: workplace hygiene, including protection from outdoor and indoor health risks; necessary equipment complying with the latest technological and environmental standards, ergonomics and comfort requirements; and a good psychological climate within the company's teams.

An example of such is the Clean Workplace program which has been implemented in KNAUF's CIS plants since 2008.

The program's target is to enhance the quality of the employees' work through the creation of a safe and clean working environment. The time period of the program is not limited. To evaluate the program's efficiency, intermediate results are reviewed annually by collecting and analysing data with subsequent adjustments to the program.

To achieve the program's targets, several tasks were defined and are being performed in the following areas:

- Occupational safety and health, industrial safety;
- working environment;
- Medical care;
- Healthy life.

Occupational Safety and Health, Industrial Safety

- Uniform standards and requirements in occupational safety and health (OSH) and industrial safety have been introduced at the company's plants.
- The automation of production processes on all sites has been completed. It is exemplified in the modernization of the largest European gypsum mine in Novomoskovsk in the Tula region in 2009. Old equipment was replaced completely. The new automated complex enhanced the efficiency of gypsum rock production, providing improved occupational safety at the mine.
- The workers are compulsorily equipped with personal protective equipment at any workplace affected by factors dangerous for their health. For example, workers working in places with high noise level receive earplugs and ear caps for hearing protection. In order to protect the respiratory organs against gypsum particles, additive agents and dust, workers received personal respirators, additional modern ventilation systems are installed on the premises, and wet cleaning of areas is done regularly.
- All workers of the company must undergo training in occupational safety and health, and ethics of relationships within teams. The production area has all necessary markings, fencing, road traffic signs and other signs pointing out possible dangers. There are areas for relaxation, refreshment, taking meals etc.
- During the program, the verification of workplaces continued and, as a result, more than 2,000 workers were identified as entitled to benefits.

Under the program, the budget for occupational safety and health measures was increased. In 2010, OSH expenses increased by 108% compared with 2008 and by 114% compared with 2009 which amounted to 131.2 million roubles.



The program's target is to enhance the quality of the employees' work through the creation of a safe and clean working environment.

Working Environment

- Unified requirements as to the cleanliness of working environment in office premises have been implemented. Premises and workplaces have been reconstructed and reequipped in order to reduce the impact of dangerous factors. Areas have been prepared where workers can alleviate stress and psychological tension. In order to save working time and mitigate tiredness, standard procedures have been optimized.
- The negative effects of electromagnetic fields in workplaces are minimized by optimizing energy consumption; appropriately placing electric mains, technical equipment, transformers and voltage cables by using absorbing screens in areas with high pollution levels; and by disconnecting unused equipment.
- Old equipment (computers, office and house equipment) are being replaced with equipment offering improved performance.
- Noise levels are being reduced in office premises. The offices are finished with noise absorbing materials. In premises containing more than four workplaces, additional light partition walls are installed. Air conditioners and equipment with ventilators are cleaned and checked regularly.
- Additional measures are taken to provide for a cleaner working environment. Workers are provided clean mineral water. Special premises are equipped for meetings; negotiations etc. and daylight lamps are replaced with LED lamps or equipped additionally with stabilizers reducing pulsation.

Medical Care and Health Insurance

The company maintains relations with the best medical institutions in the regions where its offices are opened. Medical stations at the plants are equipped with physiotherapeutic and other medical equipment and workers can apply for medical or preventative services without leaving the plant. The company's workers have additional insurances policies against accidents with an individual insurance coverage of 100,000 euros. They also may benefit from voluntary medical insurance and may go to a medical institution of their choice. Where high quality treatment is not available in Russia, workers may be sent abroad for treatment at the company's expense.

Healthy Life

KNAUF supports a healthy lifestyle both at work and off work. The company contributes to the cultural leisure of workers (visiting museums, theatres, historical sights). KNAUF takes part in organizing German and Russian Culture Days, held each year for the last 13 consecutive years. With the company's support, several amateur sport teams and musical bands are active at its plants in Russia on a voluntary basis. Sports events are held at KNAUF's plants and employees can take part in regional competitions.

Program Results:

- Since the program was launched, the number of accidents in connection with workers' non-compliance with labour safety requirements decreased by 40% in 2010, compared with 2008.
- The number of upper respiratory airways diseases decreased by 22%.
- There were an increased number of women taking maternity leave, which shows that the workers feel increased confidence and stability.
- The results of a work environment quality opinion poll have shown that the workers highly appreciate the company's care. In particular, the respondents noted the increased level of social insurance, improved interpersonal relations, and overall work environment.



BEST PRACTICES FOR MITIGATING OCCUPATIONAL HEALTH AND SAFETY RISKS

The primary goals of any business are: (1) managing cost effectiveness, (2) caring for personnel, and (3) maintaining a good business reputation.

The most important factors in fulfilling these goals are:

- Avoiding the loss of lives of employees;
- Preventing any risks to the business reputation;
- Avoiding unnecessary costs, including costs related to investigations and legal proceedings, levies, charges for non-conformity with the occupational safety rules, compensation to employees for harm inflicted to their health in the event of temporary or persistent disability due to work-related exposure

It is possible that the employer may not be able to take into account every legal regulation or the numerous practical measures. For a detailed analysis, development and implementation of the decisions needed, it is important to have international experience to support the arrangement of medical assistance and legal advice. As previously mentioned, the Russian Federation enactments for providing medical assistance to employees contain insufficient, contradictory and, at times, outdated information. In implementing preventative measures and ensuring the most mitigation of potential impact of medical cases, international standards and best practices related to occupational safety and health developed by leading global companies' needs to be followed.

Control over medical risks in various business areas is a complex process consisting of various elements, such as:

- defining the appropriate number of medical staff for a project and their qualification requirements;
- defining a process for recruiting medical staff;
- defining a list of necessary equipment, medicines and consumables;
- dealing with logistics and transportation challenges, especially in emergency situations;
- providing information support and consulting assistance for specialists working on projects.

Each of the steps above has its own features, so it is important to focus the attention on which of the steps impacts the final quality of the work being performed.

For example, the necessary number and qualification requirements for employees depend on the following factors:

- The number of employees on site (taking into account all of the organisations involved) and their gender.
- The type of operation.
- The general layout of the facilities (number of employees, distances, road condition)
- Features of the operation.
- Distance from local medical facilities, and the limitations of their capabilities.

Approaching the problems based on comprehensive analysis and individual selection of required measures, has allowed the global industry leaders to develop and implement integrated solutions. This includes preventive measures (i.e. preliminary investigation of the region which involves the identification of medical and other risks), ongoing risk monitoring (i.e. development of the necessary arrangements and organization of health care systems at facilities in different condition and development of effective sanitation measures), predicting potential emergencies and mitigation measures (i.e. development of Medical Emergency Response plans, first aid training for employees, etc.).

Using a systematic approach and international standards enables companies to:

- Ensure compliance with current legal standards;
- Promote psychological comfort and a feeling of safety among employees, motivating them to perform their professional duties;
- Compensate insufficiencies of the local health care system (ie. ensuring timely emergency care to prevent or reduce the duration of disability, minimize the risk of disablement and loss of life)
- Prevent financial loss due to adverse consequences of medical cases, to the maximum extent possible;
- Save and maintain the company reputation as a reliable partner and responsible employer.

ABOUT INTERNATIONAL SOS

International SOS is the world's leading medical and travel security risk services company. We care for clients across the globe, from more than 1000 locations in 90 countries.

Our expertise is unique: More than 11,000 employees are led by 1,400 doctors and 200 security specialists. Teams work night and day to protect our members.

We pioneer a range of preventive programmes strengthened by our in-country expertise. We deliver unrivalled emergency assistance during critical illness, accident or civil unrest.

We are passionate about helping clients put Duty of Care into practice. With us, multinational corporate clients, governments and NGOs can mitigate risks for their people working remotely or overseas.

ABOUT ENHESA

ENHESA is the market leader in global environmental, health and safety compliance assurance providing support to businesses worldwide.

We leverage our unique knowledgebase utilizing our in-house team of over 75 dedicated EHS regulatory analysts from more than 40 different countries to provide insights and analysis regarding EHS regulatory developments from around the world.

Enhesa provides this key regulatory intelligence for over 200 jurisdictions around the world in both an easy to understand and utilize manner.

