



**Sakhalin Energy Investment Company Ltd.
Public Consultation and Disclosure Plan, 2018**

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INTRODUCTION

Sakhalin Energy Investment Company Ltd. (Sakhalin Energy or company) considers regular and meaningful engagement with the public and other key stakeholders, as well as the public disclosure of relevant project information, to be important elements for the successful development of the Sakhalin-2 project. To this end, since the very beginning Sakhalin Energy has actively sought to engage with stakeholders and provide information about its activities. This will continue throughout the life of the project.

Sakhalin Energy's general business principles state a clear commitment to transparent and open stakeholder engagement and the company takes this into consideration in the following objectives and approaches towards this engagement:

- it should be meaningful, purposeful and open, as inclusive as possible and practicable, and should incorporate as diverse range of views and interests as possible;
- it should aim to build strong, positive relationships with community and other stakeholders, to provide effective mechanisms for the exchange of views about previously identified issues and the ways in which Sakhalin Energy manages them, and to create conditions where emerging issues of concern are brought to its attention and addressed in a timely manner;
- it should be documented and the records or summary of the records made public where possible, with the exception of those issues relating to personal information and privacy of individuals.

The company's strategy for public consultation and disclosure of information has evolved over 20 years of engagement with Sakhalin communities and other interested parties. It has been shaped by their feedback to provide what we intend to be a meaningful approach to ensure they are suitably informed of project activities and that the company has an effective means for hearing their concerns. Further to this direct feedback, Sakhalin Energy fulfils the legal requirements of the Russian Federation for public consultation as well as International Finance Corporation (IFC PS 1, 2012 revision) on the preparation of a Public Consultation and Disclosure Plan (PCDP).

The Sakhalin-2 project currently comprises of existing operational phase facilities and two development projects (OPF Compression (OPF-C) project and Train 3 project). This PCDP describes Sakhalin Energy's plans and programmes for public consultation and the disclosure of information for the operational phase of the Sakhalin-2 project only¹. In addition, for the development projects the company is developing separate PCDPs (e.g. the OPF-C PCDP is already developed and made public via company's web site and the information centre in Nogliki and the Train 3 PCDP is currently under development and will be disclosed via company's web site and the information centre in Korsakov). When the development projects construction stage is completed, the Train 3 PCDP and the OPF-C PCDP will be incorporated into this annual Public Consultation and Disclosure Plan.

The grievance mechanism section given below, however, applies to the whole Sakhalin-2 project (both operational project and the OPF-C/Train 3 development projects).

Given the size of the project, Sakhalin Energy is committed to regularly engaging with the public and other stakeholders at the local level where the project is occurring

¹ Please see description of the facilities included in the operational phase below.

and at federal and international levels. This PCDP describes Sakhalin Energy's plans for consultation at all three levels and includes (all the below sections apply only to the operational phase of the project, unless stated otherwise):

- brief description of the whole Sakhalin-2 project;
- summary of legal requirements and applicable international guidelines and conventions on consultation and disclosure (applies to both operational phase and development projects);
- details of stakeholders grouping and how they are identified;
- feedback from consultation;
- description of routine engagement on ongoing project activities;
- description of the role of the community liaison structure; (applies to both operational phase and development projects);
- description of Sakhalin Energy's grievance procedure (applies to both operational phase and development projects);
- key contact details (applies to both operational phase and development projects).

There are six appendices to this document:

- Appendix 1 sets out the company's statement of general business principles, determining the main areas of responsibility and principles followed by the company in its activities.
- Appendix 2 provides locations of information centres and contact details of the company CLO representatives.
- Appendix 3 provides contact information for distribution of SIMDP information materials.
- Appendix 4 provides a summary of non-governmental and community organisations for operational phase of the Sakhalin-2 project.
- Appendix 5 lists the existing stakeholders in Japan, in particular, on the island of Hokkaido.
- Appendix 6 provides the list of abbreviations used in this document.

Sakhalin Energy updates this plan on an annual basis or as required to take into account feedback from stakeholders consulted. This is the 15th edition of the PCDP, which has been updated to include more recent consultation strategies and activities.

1 PROJECT DESCRIPTION

1.1 Introduction

Sakhalin-2 Operational Phase

Sakhalin Energy is developing the Sakhalin-2 project under a Production Sharing Agreement (PSA) concluded in 1994 between the Russian Federation Government, the Sakhalin Oblast Administration and Sakhalin Energy. The contract was the first agreement of its kind to be signed in Russia. The project has two licence areas offshore of the northeast coast of Sakhalin Island: Piltun-Astokhskoye (predominantly oil) and Lunskoye (predominantly gas).

The Sakhalin-2 project operational phase, being one of the world's largest integrated oil and gas projects, comprises the following infrastructure:

- three offshore ice class platforms;
- some 300 km of the offshore pipelines;
- some 1600 km of the onshore pipelines;
- onshore processing facility (OPF);
- booster station 2;
- oil export terminal;
- LNG plant (first in Russia).

The seasonal oil production started in 1999, the year-round oil production and offloading started in December 2008 and the first LNG was offloaded in March 2009.

Sakhalin Energy has carried out extensive improvements to Sakhalin Island's infrastructure. Over forty bridges and about 150 kilometres of public roads were upgraded, repaired or replaced during the project and similar stretches of new roads were built. Ports and railways were also upgraded where required, and the project has provided funds to support the upgrade of the airport at Nogliki. In many cases, work was done on public or publicly used assets in partnership with the local authorities.

Currently, the high-technology oil and gas infrastructure created under the Sakhalin-2 project is operating at full capacity.

Information about the operational phase of the Sakhalin-2 project can also be found in English version – www.sakhalinenergy.com, in Russian – www.sakhalinenergy.ru.

Sakhalin-2 development projects²

OPF Compression project

The company completed front-end engineering and design (FEED) works on the OPF Compression project, which will help to maintain the projected production levels as the wellhead pressure at the Lunskoye field begins to decline.

In 2015, a contract with REP Holding was signed for manufacturing and supplying three drivers/compressors for the OPF-C project.

The OPF Compression facility will be constructed close to the existing OPF within the

² Please note that description of the development the OPF-C and Train 3 projects is given here for information purposes only. As said, the company is developing separate project PCDPs for these facilities (e.g. the OPF-C PCDP is already developed and made public in/on company's web site and the information centre in Nogliki and the Train 3 PCDP is currently under development and will be disclosed via company's web site and the information centre in Korsakov).

Nogliki urban district of Sakhalin Oblast which is located along the north-eastern coast of Sakhalin Island. The nearest residential area to the OPFC project site is the village of Nysh. It is located at a distance of 8 km from the Nysh railway station and at a distance of 45 km from the OPF straight or 70 km away by the road.

The Early Works and Engineering, Procurement and Construction (EPC) contract was awarded in 2016. The Early Works phase will be finished in 2018. The EPC contract for major construction works was awarded in September 2017. The start of major construction works is planned for June 2018.

LNG Train 3 project

In 2015 Sakhalin Energy signed design development contracts for the Sakhalin-2 LNG Train 3.

According to the contracts, Shell Global Solutions International and Giprogaztsentr, a Russian design institute, are entrusted with developing the design for the Sakhalin-2 LNG Train 3. They are involving a number of international and local design contractors. Sakhalin Energy has also involved a large number of local companies for engineering and environmental baseline surveys.

In 2016 Sakhalin Energy started the development of Front End Engineering and Design for the Sakhalin-2 Train 3 project.

The scope of the Train 3 project infrastructure facilities will potentially consist of the following main components:

Gas Transportation System

- Booster Stations 3 and 4 (construction) – to be located near Yasnoe/Palevo and near Tikhoe settlements, respectively.

At the Prigorodnoye production complex located near Korsakov: LNG plant, construction of

- The 3rd LNG Production Train,
- The 3rd LNG Tank,
- The 2nd LNG Jetty,
- Two refrigerant tanks with the same capacity of the existing ones.

The Sakhalin-2 Train 3 development project is considered the best and most economically sound way to strengthen Russia's presence on the world LNG market.

In 2016 the company started ESHIA process due to the Train 3 project that is expected to be continued in 2018. Public consultations will be organised accordingly (for more details please see the Train 3 PCDP).

Public hearings for Environmental Impact Assessment for LNG jetty construction was held in April 2017.

2018 seismic survey programme

A 4D seismic campaign is planned in 2018 over two fields operated by Sakhalin Energy: Lunskeye and Piltun-Astokhskeye. The campaign is the next step in Sakhalin Energy strategy to use 4D seismic as key areal reservoir surveillance technology. Actual surveys are planned in Q2-Q3 2018, general contractor on 4D seismic survey implementation is Sovcomflot Geo.

Public hearings for Environmental Impact Assessment for this seismic campaign were held in January 2018 in the Nogliki and Okha districts. Relevant notifications about the hearings and materials publications (including EIA) were made in 2017 as per RF requirements. This seismic campaign is also on the agenda of all WGWAP

panel meetings.

2 LEGAL REQUIREMENTS AND STANDARDS

Sakhalin Energy aims to ensure that the Sakhalin-2 project complies in all respects with the Russian law and the regulatory requirements for public consultation. Sakhalin Energy's objective is also to comply with the 2012 IFC Performance Standards (IFC PS) which serve as an international benchmark for good practice.

Although the Russian Federation has not ratified the Aarhus Convention on the access to environmental information and public participation in environmental decision making and the Convention on environmental impact assessment in a trans-boundary context (Espoo), the company recognizes the importance of these conventions, and has made efforts to meet the spirit of their intent insofar as it is applicable for a private sector company to do so.

This section outlines the key Russian Federation legislation and international standards and conventions concerning public consultation that apply to the project and how Sakhalin Energy has addressed them. It also sets out Sakhalin Energy's own principles concerning public consultation and the disclosure of information.

2.1 Russian regulatory context – the EIA process

Russian regulatory requirements for public consultation and the disclosure of information generally focus on consultations around environmental impact assessment (EIA).

Project sponsors are required by the Russian Federation executive order № 372 of March 16, 2000 to prepare a preliminary environmental impact assessment at an early stage of a project implementation, which then form a component of the public information and consultation process. The key consultation element in the Russian law is the public hearings process, which allows the public to comment both orally and in writing on an EIA. The project sponsors must then amend the EIA to incorporate comments received from the public. This EIA must be approved by the Russian authorities as part of the project documentation in order for project execution to proceed. Similar approach is undertaken in case of significant changes to an existing project that may have environmental impacts.

Project documentation for certain projects together with the EIA section are subject to the State Environmental Expert Review (SEER). The Federal law on environmental expert review (No. 174-FL, 23 November 1995) states that the review is a process of establishing the compliance of a proposed project with environmental requirements in order to determine whether or not the project may be implemented. It is a governmental decision-making tool to ensure that businesses embarking on new projects minimise any resulting damage to the environment. The examination is complex and comprehensive and involves the review of technical and legal documents, comprehensive economic draft programmes, environmental safety compliance reports and land conservation plans to consider the potential impact on subsoil resources, water resources, forests, land, air, flora and fauna.

State Environmental Expert Review is an important element of the Russian EIA review process, and public involvement in the process is determined under the federal law "On Environmental Expert Review", No. 174-FL (November 1995). The environmental expert review process is divided into two sections: state environmental expert review and public environmental expert review (public ecological expertise). The latter is an opportunity for interested parties to comment on the quality of the developer's EIA and to submit any objections. Article 22 of the abovementioned federal law states that, "public ecological expertise initiated by citizens or non-governmental organisations will be performed either prior to government ecological expertise or in parallel with it".

2.2 International guidelines

Sakhalin Energy aims to comply with international best practice on public consultation and disclosure in developing the Sakhalin-2 project. It has developed this PCDP in accordance with the IFC PS 1 requirements relevant to stakeholder engagement (Section 2.2.1) and takes into account relevant international conventions on public participation where appropriate (Section 2.2.2).

2.2.1 IFC Performance Standards

Before 2012 the company followed the World Bank (WB) Guidance Note F on public consultation and disclosure. The compliance with its implementation was demonstrated through the frequent and meaningful engagement that was undertaken with key stakeholders during the environmental, social and health impact assessment (ESHIA) process and the public disclosure of the ESHIA materials in 2003 and its addenda in 2005 as well as other documentation deemed to be of interest to the general public.

In 2012 the company undertook a commitment to follow the 2012 IFC PSs, including those requirements that are related to stakeholder engagement. In particular IFC PS 1 Assessment and Management of Environmental and Social Risks and Impacts replaced the WB Guidance Note F.

The company adheres to the IFC PS 1 requirements during the preparation of this annual revision of the Public Consultation and Disclosure Plan.

PS 1 advises that “Stakeholder engagement is the basis for building strong, constructive, and responsive relationships that are essential for the successful management of a project’s environmental and social impacts”. It also underscores that “Stakeholder engagement is an ongoing process that may involve, in varying degrees, the following elements: stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism, and ongoing reporting to affected communities”. The nature, frequency, and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project’s risks and adverse impacts, and the project’s phase of development.

As per PS 1, the company also remains committed to ongoing engagement with key stakeholders during the construction and operational phases of the project. In compliance with Guidance Note to 2012 IFC PS1 (Annex B), the PCDP:

- (i) Describes regulatory, lender, company, and/or other requirements for consultation and disclosure.
- (ii) Identifies and prioritizes key stakeholder groups.
- (iii) Provides a strategy and timetable for sharing information and consulting with each of these groups.
- (iv) Describes resources and responsibilities for implementing stakeholder engagement activities.
- (v) Describes communication methods and how stakeholder engagement activities are incorporated into a company’s management system/process.

Guidance Note to 2012 IFC PS1 (Annex B) can be viewed at the IFC web site at www.ifc.org.

2.2.2 International conventions

The two international conventions that are relevant to public consultation and disclosure are the UNECE Convention on the access to environmental information, public participation in environmental decision making and access to environmental justice “Aarhus Convention” (1998) and the UNECE Convention on environmental

impact assessment in a trans-boundary context (Espoo) (1991). Both conventions oblige public authorities to undertake activities in relation to consultation and the disclosure of information. Whilst the Russian Federation has to ratify either convention, Sakhalin Energy nevertheless recognizes the purpose of the conventions and endeavours to embrace the spirit of their intent insofar as it is reasonable for a private sector company to do so.

2.2.2.1 Espoo Convention

Espoo aims to promote consultation between signatory states where operations in one state have the potential to affect the environment in another. In the countries that ratified the Espoo Convention, the party suggesting a project must notify the “competent authorities” if the project is considered to have potential trans-boundary impacts. The authorities would then invite the potentially affected neighbouring state to participate in the EIA process. Should the invitation be accepted, an equivalent degree of public consultation should take place in both states. Espoo does not provide for private companies or individuals to initiate the process, instead leaving this as a responsibility of the governments that have ratified the Convention. The Convention does however provide for notification to be done through a third party, and in this situation, a private company may play a strong role.

It is clear from the geographic position of Sakhalin Island and the project’s infrastructure that trans-boundary consultation efforts should involve Japan, specifically stakeholders of Hokkaido Island. Although the Russian Federation has not ratified Espoo, Sakhalin Energy acknowledges the benefits of seeking to fulfil the spirit of the Convention in its development of the project.

In addressing the spirit of Espoo, the company has undertaken a number of multi-stakeholder forums and technical meetings in Japan since 2002, and has established stable ties with organisations such as the Marine Disaster Prevention Centre. More details on the company’s strategy for engagement with the Japanese public and other key stakeholders is provided in Section 6.12 (this Section is available in Japanese as well as in Russian and English).

2.2.2.2 Aarhus convention

The objective of the Aarhus Convention is to guarantee the rights of public access to information and to promote public participation in decision-making, as well as access to justice in environmental matters.

Aarhus establishes two main principles in relation to disclosure of environmental information:

- it obliges public authorities to make sure that information relating to the environment is available on request without discrimination;
- it also establishes the principle that environmental information should be provided pro-actively to any affected party.

Despite the responsibilities that the Aarhus Convention places on governments rather than private companies, as with the Espoo Convention, Sakhalin Energy acknowledges the benefits of seeking to act in the spirit of Aarhus, as demonstrated by its own requirements for public consultation and disclosure (see Section 2.3 below).

2.3 Company requirements

Sakhalin Energy has taken into account the guidelines and recommendations of IFC for public consultation and disclosure (Section 2.2.1) as well as relevant international conventions (Section 2.2.2) in developing its own standards for public consultation and disclosure. It also takes into account the consultation and disclosure

commitments made publicly in the company's Statement of General Business Principles, Sustainable Development Policy, Human Rights Policy, Commitments and Policy on Health, Safety, Environment and Social Performance (the HSE and SP Policy).

Sakhalin Energy's statement of general business principles (Appendix 1) includes the following:

“Sakhalin Energy recognizes regular dialogue and engagement with our stakeholders is essential. We are committed to reporting of our performance by providing full relevant information to legitimately interested parties, subject to any overriding considerations of business confidentiality.”

In addition, Sakhalin Energy takes into consideration the following objectives and approaches for consultations:

- public consultation should be meaningful, purposeful and open, as inclusive as possible and practicable, and should incorporate as diverse a range of views and interests as possible;
- consultation should aim to build strong, positive relations with the community and other stakeholders, to provide effective mechanisms for the exchange of views about previously identified issues and the ways in which Sakhalin Energy manages them, and to create conditions where emerging issues of concern are brought to its attention and addressed in a timely manner;
- consultation should be documented and the records of consultation made public where appropriate and possible.

Where relevant guidelines or policies (e.g. IFC Performance Standards) exist for the specific issues, such as on involuntary resettlement, cultural heritage and indigenous people, Sakhalin Energy aims to comply with international best practice as well. There are certain discrepancies between the RF requirements and IFC Performance Standards regarding some specific issues such as the requirement for Free, Prior, and Informed Consent of the Indigenous Peoples FPIC), community grievance procedure requirements etc. The company intends to meet IFC requirements related to stakeholder engagement (see International Requirements Specification of Social Performance Standard available on company's web site <http://www.sakhalinenergy.ru/en/library/folder.wbp?id=02619129-f7cf-441f-af6e-1e86f1b8c093>). Furthermore, as per the Health, Safety, Environmental and Social Action Plan (HSESAP), the company seeks to act in keeping with key conventions and treaties which are not yet ratified by the Russian Federation. The Russian and English versions of HSESAP Rev. 1 were published on the company web site in January 2006.

The HSESAP is a “living” document and as such it is subject for periodic review. Good practice requires that the effectiveness of HSESAP commitments be monitored to determine whether mitigation measures are effective. Through this process the company determines whether any commitment needs amending, either to be made more explicit or altered, to remove the commitment if the action to which it refers has ceased, as stipulated in Section 3.4 of HSESAP³. As a result of this monitoring activity, the HSESAP was revised in 2007, and published on the company web site along with a rationale for each change made. In 2010 the company in agreements with lenders and their independent environmental consultant (IEC) has finalised the third revision with its posting on the company's web site. In 2012 the company in agreements with lenders and their independent environmental consultant (IEC) has

³ Section 3.4 “Changes in Commitments” of HSESAP specifies the process relating to amendments to the HSESAP obligations.

finalised revision of the international requirements applied by the company, primarily IFC PS 2012 edition, with posting of the revised HSESAP's updated standard specifications on the company's web site. The company's environmental and social performance is monitored against its commitments stipulated in the HSESAP. In 2014 the company finished revision 4 of HSESAP accommodated recent changes to the Russian laws and regulations, as well as the updated international requirements and the company's hands-on experience. Revision 4 of the HSESAP was uploaded to the company's web site in 2015, and in 2016 distributed among communities via its placement in the companies' information centers.

3 CONSULTATION AND INFORMATION DISCLOSURE

3.1 Stakeholder engagement

Stakeholders are persons or groups who have an interest in the company's activity, are directly affected by, or are in a position to influence Sakhalin Energy's activities.

Sakhalin Energy has been informing and consulting a range of stakeholders about the Sakhalin-2 project since 1994. This document covers stakeholders of the operational phase of the Sakhalin-2 project including:

- potentially directly affected communities⁴;
- vulnerable community groups⁵;
- stakeholders in Japan, particularly on Hokkaido Island;
- community initiative groups/associations and other non-governmental organisations (local, regional, international);
- media (local, regional, national, international) and other interest groups such as academic institutions and research foundations;
- other communities of Sakhalin.

Sakhalin Energy has programmes of engagement with all of these stakeholder groups, and these are discussed in Section 6.

There are other stakeholder groups with whom Sakhalin Energy engages in the course of its business. For example, it works closely with representatives of the Russian federal, regional and local authorities at various levels. Mechanisms for engagement with government authorities, customers, employees, contractors, shareholders and lenders, with which Sakhalin Energy has regular contact in the course of its business, are not addressed in this document. This document focuses on stakeholders who do not have formal relationships with Sakhalin Energy and who, as a result, may wish to use this document for information and guidance.

Sakhalin Energy will provide support to lenders public engagement activities associated with the Sakhalin-2 project as agreed and appropriate.

3.2 Communication methods

The table below describes stakeholders and relevant communication methods.

² An affected community is one in the vicinity of a permanent project facility, their SPZ and RoW, as well as temporary installations erected for construction purposes and/or used for project's operation. In event of an oil spill or other event this definition is expanded to include additional communities, including those in neighboring countries.

³ Vulnerable groups and individuals include the following audiences that have greater susceptibility to impact:

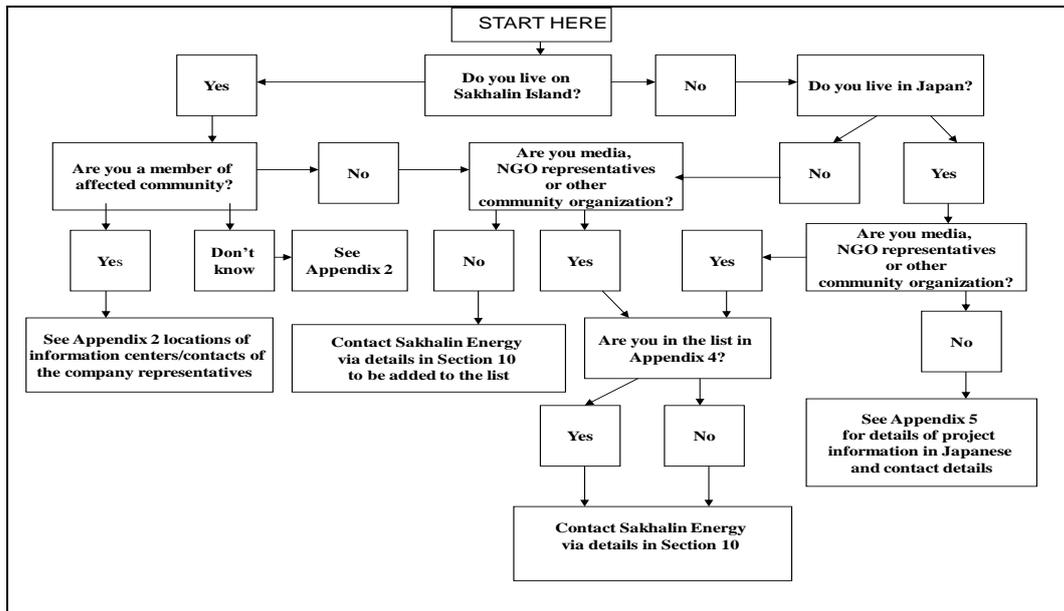
- persons with disabilities and their carers;
- low-income families with average income less than subsistence level or those dependent on state support;
- non-registered land users;
- reindeer herders and their families;
- indigenous peoples;
- children;
- migrants, migrant workers;
- elderly people and veterans of war;
- women-headed households with children under the age of 18.

Table 1: Communication methods

STAKEHOLDER GROUP	COMMUNICATIONS METHOD
Potentially affected communities (Section 6.2)	<ul style="list-style-type: none"> • Regional and district papers • Television and radio • Meetings with key individuals/groups representing local communities (authorities, social, IP, etc.) • Public consultations and meetings involving the company's technical experts and managers (if necessary) • Open hours of the CLO specialists (Nogliki and Korsakov districts) • Information centers with bulletin boards, internet access and printed information on the project and ongoing activity in the company • Location of information materials and documents in communities (e.g. in the company's information centers and some additional district and settlement libraries) • Consultations and ongoing engagement under social impact assessment (SIA)/monitoring activity (during operation and construction under development projects as appropriate) • Web site
Wide public of the Sakhalin (Section 6.9)	<ul style="list-style-type: none"> • Regional and district papers • Television and radio • Web site of the company • Web sites of the key social programmes of the company (SIMDP – www.simdp.ru, <i>What to do in emergency situations</i> – www.senya-spasatel.ru, etc.)
Indigenous people (Section 6.8)	<ul style="list-style-type: none"> • Meetings/open hours between the company's SIM engagement specialist and individuals/organisations representing Sakhalin Indigenous People (IP), participants of SIMDP • Meetings with IP communities and organisations under the scope of Sakhalin Indigenous Minorities Development Plan (SIMDP), as well as other potential out of scope activities, representatives of authorities and institutions of different levels, which are competent to work with indigenous peoples • Organisation and maintenance of the company-sponsored events for the benefit of and proposed by Indigenous People • SIMDP web site (www.simdp.ru) • Information bulletins (quarterly) distributed through distribution list given in Appendix 3 and posted on SIMDP web site

STAKEHOLDER GROUP	COMMUNICATIONS METHOD
	<ul style="list-style-type: none"> • News, reports about events implemented by the company under IP projects • Company's participation in IP events by invitation of stakeholders • Distribution of the SIMDP information materials and documents in places of traditional residence and traditional economic activities of the Island's Indigenous People (for example, in the company's information centers or administration buildings or libraries in the Indigenous People communities)
Stakeholders in Japan (Section 6.12)	<ul style="list-style-type: none"> • Meetings • Presentations • Distribution of the information materials and documents in libraries • Web site • Expert panels, working groups
Community and other non-governmental organisations (local, regional, national and international) (Section 6.11, Appendix 2)	<ul style="list-style-type: none"> • Web site • Face-to-face meetings (as required) • Correspondence (letter and e-mail)
Media (Section 6.13)	<ul style="list-style-type: none"> • Press releases • Good news stories • Web site • Face-to-face meetings (as required) • Media briefings, interviews and site visits for mass media representative travelling to Sakhalin (as required) – except tours to the offshore assets due to the operational and safety restrictions • Media visits

The chart below shows how stakeholders can be grouped; how new stakeholders can identify themselves; how they can be identified by Sakhalin Energy or how they can contact Sakhalin Energy. New stakeholders are regularly identified and included in consultation.



3.3 Stakeholders engagement within the frames of sustainable development report preparation

In 2009 Sakhalin Energy decided to follow the public non-financial reporting on the basis of Global Reporting Initiative (GRI) requirements – Sustainable Development Report (www.globalreporting.org).

Sustainable development reports cover the results of Sakhalin Energy activities, including environmental protection, personnel development, stakeholder engagement, social projects and other aspects.

As part of the reports' preparation the company commits to hold regular consultations with stakeholders so they can share their opinions on the company's activity and make recommendations on further development of the company's responsibility in production, environment and social areas.

The company conducts dialogues with external stakeholders twice a year. During the first round of a dialogue the company presents preliminary information on company's activity for the reporting period to stakeholders. Participants of the dialogue comment and discuss what additional information of wide audience interest might be included into the report, ask questions. During the second round of a dialogue the company responds to stakeholders' comments and questions received during the first round of a dialogue. Results of dialogues, along with stakeholders' specific questions, suggestions and comments and the company's feedback, are included into sustainable development report of the corresponding reporting period.

Annual reports for 2009-2013 were prepared according to the G3 GRI. The new generation of the GRI non-financial reporting guidelines – G4 – was launched in 2013. Processes of establishing focus areas/priorities and engagement with stakeholders are fundamental for the new G4 Guidelines. One of the main aspects of these processes is extensive consultations. G4 became mandatory in 2016.

In this connection, starting in 2014 in addition to the regular dialogues under GRI reports preparation the company conducts consultations with all the key groups of stakeholders, including shareholders, buyers, government authorities, lenders, company employees, contractors, NGOs, local communities, etc. Main engagement methods are dialogues, questionnaire surveys, focus groups and face-to-face meetings. Dates, times and venues for all key consultation meetings are posted in a

Community meeting plan on the company web site and updated on a monthly basis (http://www.sakhalinenergy.ru/en/social_responsibility/informing_the_public.wbp).

Sakhalin Energy's annual sustainable development reports are available at the company's web site and are also disseminated to key stakeholders listed in Section 3.1 and other participants of the dialogues; placed in the information centres of the company, and are also distributed during different events that the company participates in.

In 2016 the Global Sustainability Standards Board, GRI independent standard-setting body issued the GRI standards which incorporated the key concepts and disclosures from GRI G4 in new and improve structure and format. The GRI standards will become mandatory from July 2018. Company will prepare annual report for 2018 according to new GRI standards.

4 CONSULTATION PROCESS

Sakhalin Energy has carried out extensive and island-wide consultation in relation to the operational phase of the Sakhalin-2 project, and as a consequence has built many strong relationships on the Island. Consultation has also allowed Sakhalin Energy to identify and develop relations with a large number of different groups of stakeholders (see Section 3 and Appendix 4) as well as to develop appropriate mechanisms for engagement.

Throughout its consultation, Sakhalin Energy has endeavoured to ensure that:

- the people and groups it consults with are representative and inclusive of the vulnerable groups identified (as listed in Section 3.1);
- respect of local traditions and cultural norms in discussions and decision-making;
- different types of engagement methods to encourage the widest possible range of participants.

The consultations process and results are described in detail in the Social Impact Assessment document (SIA) (2003)⁶ (with appendices) and the Social Impact Assessment Addendum, as well as the Public Consultation and Disclosure Plans and Public Consultation and Disclosure Reports (starting from 2009). These documents can be viewed at www.sakhalinenergy.ru (Russian) and www.sakhalinenergy.com (English). They are also available in the Sakhalin public libraries listed in Appendix 2 and from Sakhalin Energy on request (Section 9). Since 2006 Sakhalin Energy implements a special partner engagement programme with the Island's indigenous people, which is described in the Sakhalin Indigenous Minorities Development Plan (SIMDP) developed and approved by the partners of the programme for a period of 5 years. The first phase of the Plan (2006-2010) was launched and made available on the web site in the beginning of 2006. The second SIMDP (2011-2015) was published at the end of 2010 (also available at www.simdp.ru). SIMDP 3 (2016-2020) was developed in 2015 and approved by representatives of indigenous peoples at the conference "On the prospects of further cooperation in the framework of SIMDP 3" in 26 November 2015. SIMDP 3 text posted on the web site of the programme.

⁶ www.sakhalinenergy.com/en/library/folder.wbp?id=e15e01ea-ec75-4821-87d3-e1aa3a0d736c

5 FEEDBACK FROM CONSULTATION

Sakhalin Energy records public meetings and can make minutes of relevant meetings available for public access upon request (on its web site and in libraries throughout Sakhalin Island). The Government and Shareholders, Corporate Affairs Division is responsible for ensuring that any actions arising from meetings are addressed and are subsequently reported back to the stakeholders as part of company's regular engagement activities. Feedback from stakeholders in relation to the issues and project-related concerns are taken into consideration when developing policies and work programmes.

The company welcomes feedback on public consultation and suggestions for improving disclosure and communication. The detailed information on the engagement activities undertaken throughout a year and on how Sakhalin Energy addressed the consultations feedback is described in the annual Public Consultation and Disclosure Reports. This PCDP will be updated to reflect these suggestions as appropriate.

6 CONSULTATION DURING OPERATION

Sakhalin Energy has developed programmes for engaging with each of the stakeholder groups identified in Section 3. These include a number of commitments to release information in printed or electronic form into the public domain. For convenience, these are summarised below.

The date, time and venue for all key consultation meetings will be posted in a calendar on the company web site and updated on a monthly basis (http://www.sakhalinenergy.ru/en/social_responsibility/informing_the_public.wbp) as well as advised to the stakeholders via other methods of communication such as notices in the communities (if relevant), announcements in the media, invitation letters, etc. This information will include activities related to consultations with the Island's indigenous communities, which will also be made available in culturally appropriate ways as a rule.

6.1 Public domain information

Sakhalin Energy intends to release information into the public domain regularly and systematically during implementation of the Sakhalin-2 project including operational phase and development projects. It will announce the release of information into the public domain on its public web site www.sakhalinenergy.ru (Russian) and www.sakhalinenergy.com (English). As a minimum, it will:

- publish an annual Public Consultation and Disclosure Report, Public Consultation and Disclosure Plan and report on company's environmental, social, health and safety performance in Russian and English, on company web site, place in company's information centres in those communities listed in Appendix 2;
- make publicly available in Russian and English the Health, Safety, Environment and Social Action Plan (HSESAP), ESHIA, ESHIA addenda and key documents such as Public Grievance Leaflet; Resettlement Action Plan (RAP), Sakhalin Indigenous Minorities Development Plan (SIMDP), Marine Mammal Protection Plan, Biodiversity Action Plan and Oil Spill Response Documentation, for the life of the project, and as appropriate, for development projects and modification;
- make publicly available additional environmental and social position papers and selected key environmental and social monitoring reports, as appropriate;
- produce monthly community project updates, which will be published in 11 district newspapers. The company will include within this community project update information on the project implementation;
- update the public web site with project information and planned/ongoing engagement activities, as necessary. The web site has a feedback feature to encourage questions and comments;
- update the community about the resolution of major issues through the media or other mechanisms, as appropriate;
- post additional company information including information on social activity via public media;
- provide information by e-mail and in press conferences/media briefings to local, regional, Russian media. Copies of media announcements will also be placed on the public web site. Staff will be available to answer queries related to media announcements by telephone.

6.2 Consultation and information disclosure in project affected communities

Sakhalin Energy's general aims and approaches for all consultation are discussed in Section 2.3.

Sakhalin Energy endeavours to ensure that the people and groups it consults with are representative and inclusive of vulnerable groups identified in Section 3.1; local traditions and cultural norms are respected in discussions and decision-making; and that face-to-face meetings arranged are varied and create conditions that encourage diverse participation.

Sakhalin Energy implements a Community Meeting Plan in key potentially project affected communities during the operations period and in case of development project or modification which involves construction activities. If appropriate the company shall provide transport to and from the meeting locations to facilitate public attendance at these meetings as required.

Planned schedule of public meetings is available on the company's web site⁷.

Information on date, time and venue for the public meetings shall be announced in key Sakhalin newspapers (as listed in Table 2) three weeks prior to public meeting as well as placed in the company's information centres. Notices of the forthcoming meetings will also be available in public places in the communities (if relevant). Key stakeholders with whom the company has frequently engaged shall be informed of the meetings by e-mail or in writing.

6.3 The company's information centres activity in communities

In 2008-2011 Sakhalin Energy organised information centres based on local libraries in 23 communities. The purpose of these 23 information centres is to inform the project stakeholders about various project development aspects (for example, helping to find the information needed, etc.) and assisting them in completing a grievance form to submit a grievance to the company. The placing of the information centre network in local libraries provides the following benefits:

- Each community potentially affected by the project has a library.
- Local residents have permanent access to the company information at any time convenient to them.
- The company materials are available in any format, including electronic.

Each information centre is operated by a consultant, who is an employee of the respective library, within the normal work hours of the library.

The general purpose of the company's information centres is to help local residents to find answers to their questions about the project activities. For example, the company's information centres provide the following:

- any requested information regarding the project and/or company in the hard-copy or multi-media format;
- access to the company web site (www.sakhalinenergy.ru, www.sakhalinenergy.com);
- assistance to local residents in preparing a CV to apply for the company vacancies, as well as provision of vacancy information (normally based on the vacancy publications on the Sakhalin Energy web site) and information about any grants available from the company;

⁷ www.sakhalinenergy.ru/en/social/community

- distribution of information about the possibilities of business development at the local level (typically using information available on the company's web site - information about current and planned competitions announced by Sakhalin Energy as well as the programme of the Russian vendor development);
- assistance in organising meetings of local residents with the appropriate representatives of the company;
- assistance in filling out the company's grievance forms;
- informing the company on any concerns or grievances from the residents in connection with the project development.

All the consultants employed by the company's information centres shall take appropriate training and visit the company's facilities (if possible) on an annual basis. The 2018 workshop tentative agenda is expected to include the following items: 2017 overview of company performance and development projects, refreshment on filling in the monthly reporting form and the visitor register, Sakhalin Energy's Grievance Procedure, social programmes, key focus areas of the 2018 Sustainable Development Report.

The company regularly (at least monthly) feeds information about the project and social programmes to its information centres. The company representatives (from Social Performance Subdivision) visit the information centres to provide consulting to the information centres consultants at least twice a year or on request.

The information centres' personnel can also be provided consulting sessions over the phone.

The updated list of information centres is published on the company web site in Russian www.sakhalinenergy.ru and English www.sakhalinenergy.com and is attached hereto as Appendix 2.

6.4 Other methods of communication with potentially affected communities

Sakhalin Energy provides regular information about project implementation and different aspects of the company activity in advertisements, and in local media (newspapers are listed in Section 6.9 and Appendix 2) and on its public web site in Russian www.sakhalinenergy.ru and English www.sakhalinenergy.com.

Sakhalin Energy operates a special free hotline for telephone queries and complaints from communities within Sakhalin Island. The number is 8 800 200 6624 (when dialling from Sakhalin Island). For people who would like to speak to someone in Russian, English or through an interpreter from Japanese, Sakhalin Energy operates a number of special telephone lines, which are listed in Section 9.

Sakhalin Energy's Social Performance Subdivision monitors the project's impacts related to operations and expansion/modification activities, relations between contractors/subcontractors and local communities and conducts public opinion surveys annually in potentially project affected communities that will be continued in 2018.

6.5 Consultations and information disclosure with residents in the vicinity of the Prigorodnoye complex accommodation facility

Under the social impact monitoring programme, the company specialists have regular engagement with residents of Korsakov which is the closest community to the Prigorodnoye production complex. Objectives of this engagement are to identify potential or actual impact or concerns, to monitor the resolution of grievances and to inform the community on project implementation status.

6.6 Consultations and information disclosure with dachas owners at Prigorodnoye

As part of further engagement with the *Stroitel* dacha community the company will implement the following key activities in 2018:

- conduct air quality and noise monitoring at the dacha plots (in the presence of dacha community representative);
- meetings with Sakhalin Energy specialists (when required);
- meeting with specialists of Government and Shareholders, Corporate Affairs Division under the social monitoring;
- inviting dacha community *Stroitel* representatives to participate in stakeholders' consultation as part of 2017 and 2018 sustainable development report preparation (see Section 3.3 for details);
- notification of dacha owners about weekly alarm system testing at the Prigorodnoye production complex;
- notification of the planned maintenance works with gas flaring at the Prigorodnoye production complex;
- arranging focus meetings with the company's specialists when required depending on the agenda.

Members of *Stroitel* dacha community can also apply to the office of the company (CLO specialist) or information centre in Korsakov with questions and complaints related to the Sakhalin-2 project activity or use other ways of appeal mentioned in Section 9.2.

The Train 3 engagement events will be covered in the Train 3 PCDP.

6.7 Cancellation of meetings due to unforeseen circumstances

If the company needs to cancel a meeting due to weather, illness or another unforeseen event then the event will be rescheduled as soon as practicable following the cancellation and the company will alert the local community through the media and etc. as appropriate to confirm that the meeting has been cancelled and what alternative arrangements have been made.

If it is not possible to reschedule, then the company will provide a copy of the presentation materials and other relevant documents (for example, the company's information centres/libraries, as appropriate).

6.8 Indigenous people consultations

The company regularly engages with representatives of indigenous people (IP) living in all districts of traditional residence and districts of traditional economic activities of Sakhalin IP irrespective of level of the project impact.

All activities related to consultations with IP representatives are included in the Sakhalin Indigenous Minorities Development Plan (SIMDP) for 2016-2020. The third SIMDP as well as the first and the second one is based on international standards related to IP and will be executed in accordance with these standards. The requirements of the international standards were included into the third SIMDP execution procedures and management structure. Although the SIMDP 3 was developed based on the "free prior and informed consent" (FPIC) of the indigenous people, as this principle was set forth in the United Nations Declaration on the Rights of Indigenous Peoples (2007). Later on, this requirement was endorsed by the IFC in the 2012 revision of the Performance Standards.

Consultations with reindeer herders during the operations phase and in case of development projects or modification will be also done within the frames of the SIMDP execution.

Consultations with IP in 2018 will be held under SIMDP 3 in all districts of traditional residence and traditional economic activities of the Island's indigenous communities, including:

- Annual IP community (public) consultations in February with the main purpose – providing information about the status of SIMDP execution, the SIMDP specific grievance procedure and the way it works, programme committees, receiving of concerns and ideas for potential projects, as well as discussion of any other issues related to management and execution of the Plan and its programmes. Particular, schedule (communities, date, time and venue) is distributed via SIMPD web site (www.simdp.ru), in local newspapers in IP districts and via direct informing/invitations of SIMDP coordinating bodies, IP specialists of administrations of municipalities, municipal institutions dealing with IP issues, NGOs and other stakeholders (via e-mail and/or phone);
- Consultations with representatives of indigenous communities and municipal authorities, as well as NGOs and other organisations and etc. Before such meeting particular date, time and location is agreed by participants;
- Participation in the indigenous people related events, if invited by the stakeholders;
- Continuous support of SIMDP web site – www.simdp.ru (preparation and distribution of news, documents, etc.);
- Regular issue of information bulletins and update of information materials and documents; and their distribution to stakeholders (IP specialists of administrations of municipalities, municipal institutions dealing with IP issues, NGOs and communities and other stakeholders) and placement on the information boards in 13 communities: Okha, Nekrasovka , Val , Nogliki, Tymovskoye, Chir-Unvd, Alexandrovsk-Sakhalinskiy, Viakhtu, Trambaus, Smirnykh, Buyukly, Poronaisk and Yuzhno-Sakhalinsk (see also Appendix 3);
- Face-to-face and group meetings with representatives of SIMDP partners Before such meeting the partners will agree the date, time and location;
- Individual and group meetings as part of the SIMDP external (midterm review) and internal monitoring planned in September-December/ Scope and period of each monitoring will be agreed by SIMDP partners. SIMDP coordinating bodies, IP specialists of administrations of municipalities and IP representatives, to be involved in monitoring, (e.g. SIMDP projects' participants) will be notified about monitoring in advance; date, time and location will be agreed with meetings' participants;
- Organisation and holding of training for SIMDP 3 coordinating bodies;
- Individual consultations regarding applications for grant funds within the frames of SIMDP programmes (as requested by applicants, by phone or face-to-face meetings);
- SIM engagement specialist's open hours in the places of traditional indigenous residence. SIM engagement specialist should be contacted for information about date, time and location (tel.: 29 42 08).

SIM representatives are invited (in addition to general community announcements) to participate in public hearings and public consultations as part of ESHIA/EIA of

different Sakhalin Energy's project held near/in IP communities via informing SIMDP coordinating bodies and IP specialists of administrations of municipalities, IP NGOs and communities (by e-mail). In 2018 SIM representatives of Nogliki and Okha districts were invited (in addition to general announcements that included federal, regional and local newspapers, and informing relevant administrations) to participate in public hearings for Environmental Impact Assessment for 2018 seismic campaign.

6.9 Consultations and disclosure in other Sakhalin communities

Sakhalin Energy's consultation extends to the main district centres as well as other towns, villages and rural settlements. For a full list of company information boards where project information is placed regularly, please see Appendix 2.

Sakhalin residents can consult the two main Sakhalin Island newspapers for details of project news. These are: Gubernskiye Vedomosti and Sovetsky Sakhalin.

In addition, project news and information relevant to specific communities are published as required in the following district newspapers:

Table 2: District newspapers used for project news and information distribution

DISTRICT	NEWSPAPER(S)
Aniva	Utro Rodiny
Dolinsk	Dolinskaya Pravda
Kholmsk	Kholmskaya Panorama
Korsakov	Voskhod
Makarov	Novaya Gazeta
Nogliki	Znanya Truda
Tymovsk	Tymovsky Vestnik
Poronaisk	Express, Zvezda
Smirnykh	Novaya Zhizn'
Okha	Sakhalinskiy Neftyanik

6.10 Community awareness programme

In 2018 Sakhalin Energy will continue consultations under the community awareness programme to increase public awareness and knowledge of pipeline safety during the company's operations through:

- anti-vandalism posters;
- notification letters to various relevant stakeholders (land users, forestry, fisheries);
- deliver specific information articles in district newspapers (Table 2);
- public meetings; and
- direct contacts with nearby land users and heads of municipal administrations (when needed).

6.11 Community and other non-governmental organisations

6.11.1 General

All important information about the company activity is made publicly available either through the company web site or through local media (Table 2). When key

documents are made publicly available, they are placed in the company's information centres and on the company's web site. Copies are also available upon request. The annual report and other publications that may be of interest will be provided during the course of the year.

Meetings with community-based and NGO organisations are organised via phone, fax or e-mail. For public events, information about meeting dates, times and venues is published in the newspapers listed in the Table 2. There is not a rigid timetable of NGO consultation. The company endeavours to meet with key NGOs on an "as needed" basis that is convenient for all parties. As for the consultations with NGO under the Train 3 project see the Train 3 PCDP. The company is open and available for such meetings. The company endeavours to continue to make available technical experts for discussions on pertinent issues with key organisations and communities on request. For meetings of a technical or substantive nature either party should provide the other with a minimum of 30 days' notice of the request to meet, to ensure the availability of relevant experts for the discussion and to enable other necessary preparations.

In addition to discussing concerns or issues the company has been actively engaged in discussions with international organisations regarding possible sustainable development and social investment projects and initiatives in partnership with Sakhalin Energy.

6.11.2 Local

Sakhalin Energy will meet with key NGOs on a basis that is convenient for both parties or upon reasonable request that specifies the purpose of and timeline for a meeting/visit. Company's specialists (including SIM engagement specialist) also meet with groups and concerned individuals in communities on an "as needed" basis that is convenient for all parties.

6.11.3 Regional and national

Sakhalin Energy representatives where possible meet with representatives of the national and Russian Far East NGO community when these groups visit Sakhalin, or alternatively when company representatives visit the Far East or Moscow. Where practicable, meetings are arranged with the company's technical staff. The company plans to continue this practice in the future.

The company has also regularly engaged with Japanese NGOs. Details on the engagement in Japan are provided in Section 6.12.

6.11.4 International

Recognising the importance of a reasonably justified approach to environmental issues, the company continued cooperation with the International Union for conservation of nature and natural resources (IUCN) and an established specialists' group that provides advice that enables the company to adopt optimal solutions during construction and operations of offshore facilities to protect gray whales. In November 2006 the first meeting with the Western Gray Whale Advisory Panel (WGWAP) was held, convened by the IUCN at Sakhalin Energy's request. The general meetings of the Panel are held in accordance with the WGWAP Terms of Reference (ToR)⁸, and supplemented by a number of Task Force group meetings on specific topics. The WGWAP draws up recommendations for improvements in offshore construction, operation and research related to gray whales, which are carefully considered by Sakhalin Energy for their applicability to the company's research and mitigation programmes.

⁸ https://cmsdata.iucn.org/downloads/tor_wqwap_2012.pdf

Sakhalin Energy representatives where possible meet with representatives of the international NGO and governmental organisations or interest groups when these groups visit Sakhalin, or alternatively when company's representatives visit other countries.

International NGOs are also updated on the project progress and have a forum to discuss their concerns/issues when meeting with representatives of Sakhalin Energy's shareholder companies at international events, such as Sakhalin oil and gas conference.

6.12 Japanese stakeholders engagement

6.12.1 Introduction

Due to the proximity of Sakhalin Island to Hokkaido Island the company recognises the importance of engagement with stakeholders in Japan, particularly with those who may be affected by the project. These include Japanese businesses that may benefit from the economic development in the region (e.g. those in the travel, tourism and other service sectors) as well as those who could be adversely affected in a non-routine event, e.g. an oil spill, such as fishing communities. Sakhalin Energy has established relationships with the Hokkaido authorities and other stakeholder groups on Hokkaido, including the Marine Disaster Prevention Centre (MDPC) and fisheries cooperatives.

As it was agreed with the lenders, in 2010 the company started establishment of sustainable, flexible engagement scheme with Japanese stakeholders through involvement of representatives of External and Corporate Affairs Department and Japanese translator. Responsibilities of the ECA person include engagement with Japanese-speaking stakeholders such as government and community representatives, media and non-governmental organisations, during implementation of the Sakhalin-2 project. Lenders' representatives participate in each meeting and provide their feedback to the Sakhalin Energy representatives. Such engagement process is sustained from 2011 onwards. Stakeholders in Japan with whom the company has been in contact to date are listed in Appendix 5 below.

Representatives of Sakhalin Energy's External and Corporate Affairs Department visit Japan at least two-three times a year to meet with stakeholders who wish to discuss project-related issues. Technical experts are made available to provide presentations at these meetings, and to answer questions. In 2018 the company will continue to hold the meetings so that detailed discussion regarding trans-boundary issues, including oil spill response, can take place (e.g. meetings with the representatives of Hokkaido Government, Japan Coast Guard, international symposium on Okhotsk Sea and Sea Ice).

The company also meets with representatives of Japanese community and non-governmental organisations who visit Sakhalin Island and wish to discuss project-related issues with Sakhalin Energy.

Japanese stakeholders are identified through a variety of mechanisms including meetings with organisations, correspondence and with assistance from organisations in Japan with which Sakhalin Energy collaborates. Meetings are organised via e-mail, letter and phone.

6.12.2 Materials available in Japanese

On topics that are of a relevant trans-boundary nature, Sakhalin Energy translates key public domain information into Japanese. Principally this includes information about trans-boundary environmental and social issues. The list of materials that have already been made available in Japanese could be found in the Public Consultation and Disclosure Report for 2017.

Other relevant materials will be available in Japanese as they become available. Company media releases will be translated on an ad hoc basis.

Hard copies of documents in Japanese are available for review at the following libraries in Japan:

- Wakkanai Library, 4-1-1, Daikoku, Wakkanai-shi, Hokkaido, tel.: 81-162-23-3874;
- Mombetsu Library, 3-1-8, Saiwaicho, Mombetsu-shi, Hokkaido, tel.: 81-1582-4-2111;
- Abashiri Library, 3 chome, Kita 2 jyo Nishi, Abashiri-shi, Hokkaido, tel.: 81-152-43-2426;
- Hokkaido Library, 41, Higashi-machi, Bunkyo-dai, Ebetsu-shi, Hokkaido, tel.: 81-11-386-8521.

For more information, please contact Sakhalin Energy at ask@sakhalinenergy.ru or telephone +7 4242 662866 (in English, an interpreter to/from Japanese will be arranged upon request).

6.12.3 Public consultation activities in Japan

Sakhalin Energy acknowledges the benefits of good communication with Japanese stakeholders and in seeking to fulfil the spirit of the Espoo Convention in the development of the project. During 2018 the company will undertake a number of consultation and engagement activities in Japan. This programme has been developed with feedback from stakeholders, including the participants at several meetings in Japan, which the company have attended and/or initiated.

Key stakeholder activities in 2018:

- Participation in the International Symposium on the Okhotsk Sea and Sea Ice in Mombetsu – Q1 2018.
- Participation in the general meetings of Hokkaido Fishery Association, Japan Coast Guard, Hokkaido Government – Q1/Q3 2018.
- Participation in the meetings with Okhotsk communities, mainly local fishermen, to be held during Q1 2018.

The planned engagements for 2018 are listed in the consultations activities calendar on the company web site.

A review of the engagement activities in Japan will be undertaken at the end of Q4 2018 to determine the 2019 programme.

6.13 Media and other interest groups

Sakhalin Energy's Government and Shareholders, Corporate Affairs Division communicates regularly with representatives of the mass media as well as other interest groups such as educational and research institutions.

Formal meetings, such as media briefings and discussion are held when required. There is also informal interaction with representatives of these groups.

Media are informed in advance of media briefings and other meetings by telephone or e-mail.

Representatives of Government and Shareholders, Corporate Affairs Division monitor the local, federal and international media on a daily basis.

Table 3: Mass media activity

Format	Frequency	Language
Media briefings for Sakhalin journalists	When appropriate	Russian
TV news stories	Regularly, depending on newsworthy occurrence	Russian
Project updates in 11 district newspapers (see also Table 2 above)	Monthly	Russian
Sakhalin Energy web site	Regularly, depending on newsworthy occurrence	Russian/English
<i>Vesti</i> corporate news bulletin	Monthly	Russian/ English

7 COMMUNITY LIAISON STRUCTURE

In accordance with the best international practices, such as IFC Guidance Note F on public consultation and disclosure, major oil and gas projects have a special structure in place to support community liaison activities.

Sakhalin Energy established a community liaison organisation in 2003 to provide interface between the company and local communities. As a result of the 2014 restructuring, the community liaison organisation was re-configured into a community liaison structure.

Key role in the Community Liaison Structure of the company is played by two teams within the Government and Shareholder Relations and External Affairs: Social Performance and Communications, Stakeholder Engagement and Event Management.

Specialists of the above teams provide community liaison services in compliance with their job descriptions.

The Sakhalin Energy community liaison structure also includes 23 information centres based in the local village and district libraries (see Section 6.3).

Job responsibilities of the community liaison structure personnel are described below.

Head of Social Performance Subdivision

The main responsibilities of the Head of Social Performance Subdivision include the general management and control over the following:

- operation of Sakhalin Energy's information centres;
- preparation and holding of consultations and engagements with the Sakhalin indigenous people, including consultations and engagement activities under SIMDP;
- preparation and holding of consultations under Sakhalin Energy Sustainable Development Report;
- liaison activities under the Sakhalin Energy Grievance Procedure;
- consultations under the social impact assessment and monitoring (during operation or construction, as may be necessary for development projects), etc.

Lead Specialist of Social Performance Subdivision

Main responsibilities of Lead Specialist of Social Performance Subdivision include provision of the day-to-day management and control over the following:

- operation of Sakhalin Energy's information centres in local communities;
- preparation and holding of consultations under Sakhalin Energy Sustainable Development Report;
- community liaison activities under the Sakhalin Energy Grievance Procedure;
- consultations under the social impact assessment and monitoring (during operation or construction, as may be necessary for development projects), etc.

Senior Specialist of Social Performance Subdivision (on engagement with Indigenous People)

Main responsibilities of Senior Specialist of Social Performance Subdivision (on engagement with Indigenous People) include provision of the day-to-day management and control over the following:

- SIMDP implementation;
- preparation and holding of consultations and engagements with indigenous people and other stakeholders under SIMDP;
- preparation and holding of consultations and engagements with indigenous people and other stakeholders on matters beyond the SIMDP scope, for example, projects supported by the company that have been initiated by or for the benefit of the Sakhalin indigenous people,

Specialists of Social Performance Subdivision

Main responsibilities of Specialists of Social Performance Subdivision include:

- organisation and coordination of the Sakhalin Energy's information centres;
- organisation and holding of consultations with local communities in the vicinity of the Prigorodnoye housing complex as part of the monitoring programme;
- organisation and holding of consultations with stakeholders for the development of the company's Sustainable Development Report;
- coordination and exercising of community liaison activities according to the Grievance Procedure;
- coordination and holding of consultations for the purpose of assessing and monitoring of social impacts;

Sakhalin Indigenous Minorities Engagement Specialist (SIM Engagement Specialist)

The main responsibilities of the SIM Engagement Specialist (is a member of the Social Performance Subdivision) include the following:

- rendering assistance in SIMDP;
- engaging with the Sakhalin Indigenous Minorities and other residents of Val village;
- engaging with the Sakhalin Indigenous Minorities who live in the areas of the SIM traditional residence and rendering assistance in addressing issues related to the Sakhalin-2 project;

- rendering assistance to the Sakhalin Indigenous Minorities in grievance process;
- engaging with Sakhalin Indigenous Minorities under SIMDP, including as part of
 - IP public meetings;
 - dissemination of the SIMDP information materials and documents.
- consultative and logistical support with regard to the issues related to SIMDP.

Local people can visit the SIM Engagement Specialist in accordance with a preliminary coordinated schedule, as well as regular meetings with the main representatives of the Sakhalin Indigenous Minorities and stakeholders are held. Also, the SIM Engagement Specialist attends consultations with SIM that are held by the company's personnel in Nogliki and other districts.

SIM Engagement Specialist facilitates holding meetings with the public, municipality administration, conducting external and internal monitoring of the programmes as part of SIMDP in all areas of SIM traditional residence, including workshops with the SIM representatives.

Contact details of the SIM Engagement Specialist are provided at the company's web site: www.sakhalinenergy.ru and Appendix 3 hereto.

Head of Communications, Stakeholder Engagement and Event Management Subdivision

Main responsibilities of the Head of Communications, Stakeholder Engagement and Event Management Subdivision include the general management and control over the following:

- putting non-confidential information about the company in the public domain via the Sakhalin Energy web site, regional and district newspapers, TV, radio, newslines, etc;
- holding annual community meetings in localities impacted by the project;
- keeping stakeholders informed about security rules for onshore pipelines;
- consultation and awareness campaigns for dacha owners in Prigorodnoye;
- consultations as part of assessing impacts from the development projects (in cooperation with the Social Performance Subdivision), etc.

Specialists of Communications, Stakeholder Engagement and Event Management Subdivision

Main responsibilities of Specialists of Communications, Stakeholder Engagement and Event Management Subdivision include:

- putting non-confidential information about the company in the public domain via the Sakhalin Energy web site, regional and district newspapers, TV, radio, newslines, etc;
- coordination and holding of consultations and awareness campaigns for dacha owners in Prigorodnoye;
- keeping stakeholders informed about security rules for onshore pipelines;
- preparation and holding of annual community meetings in localities impacted by the project, etc.

Information Centres Consultants

The main responsibilities of the information centres consultants include:

- updating information placed on the information boards, using materials provided by the company, including, at least, the following:
 - information material on the community grievance process;
 - social programmes bulletin;
 - *Vesti* corporate news bulletin;
 - notifications of public meetings;
 - notifications of the company representatives' visits to be made;
- providing visitors with printed publications and multi-media material of the company;
- rendering assistance in finding information on Sakhalin Energy's web site;
- providing information of the grievance procedure, rendering assistance in preparation and submission of grievances to the company in accordance with the grievance procedure;
- providing information on the company's social programmes;
- in the areas of the SIM traditional residence, provision of the information on SIMDP;
- rendering assistance in holding meetings with the local residents and stakeholders.

See also Section 7.3 of this document. The operating list of the information centres is presented at the company's web site: www.sakhalinenergy.com and in Appendix 2 hereto.

In 2016 a newly established group responsible for provision SP support to the Train 3 project was established. It includes SP Lead Specialist and CLO responsible for Korsakov area. Their responsibilities are described in the Train 3 PCDP.

8 PUBLIC GRIEVANCE PROCEDURE⁹

8.1 Reporting grievances

A grievance is a statement of discontent appealed by an individual, group of individuals or an organisation and it reflects concern and dissatisfaction with Sakhalin Energy activities or its contractors. As a general policy, Sakhalin Energy will work pro-actively towards the prevention of grievances through the implementation of impact mitigation measures and community liaison activities that enable Sakhalin Energy to anticipate and address potential issues before they become grievances. Nevertheless, should grievances emerge, Sakhalin Energy is committed to addressing these in a timely and effective manner in accordance with the Russian Federation law, international best practice and the company's internal grievance procedure. Resolution of the grievances related to the activities of Sakhalin Energy's suppliers, contractors and sub-contractors is carried out through the respective asset managers. The company's asset managers are responsible for the implementation of the grievance procedure within individual asset teams including contractor and sub-contractor organisations.

Sakhalin Energy endeavours to investigate and resolve grievances within 20 working days from receipt of the grievance. The maximum resolution period should not normally exceed 45 working days and within this period required actions are either

⁹A special grievance procedure was developed under the SIMDP.

completed or agreed with the complainant.

The company has developed and has been regularly updating its Grievance procedure brochure, which provides recommendations on how to submit a grievance in connection with the Sakhalin-2 project. It also applies to people falling under the involuntary resettlement programme (resettlement information, such as resettlement plan published on the Sakhalin Energy web site).

Next subsection contains information from the Grievance Procedure Brochure, including the grievance submission form. The Grievance Procedure Brochure is made available to local communities, including from the company's information centres, and is also handed out at community meetings held in connection with the project activities. Consultants working at the company's information centres can help local people in completing a grievance form. The Grievance Procedure Brochure is also available in the Japanese language.

Public grievance leaflet is available at:

- Sakhalin Energy's information centres (Appendix 2).
- District libraries.
- Company offices, located at: 35, Dzerzhinskogo St., Yuzhno-Sakhalinsk.
- Sakhalin Energy CLO office, located at: 11, Korsakovskaya St., Korsakov
- Sakhalin Energy web site: www.sakhalinenergy.com.

8.2 Public grievance leaflet

Large and complex projects, such as the Sakhalin-2 project, can sometimes have a negative impact on those living within or adjacent to the project area.

Sakhalin Energy wants to know about any potential problems and concerns that might have been caused by the company's activities under the Sakhalin-2 project implementation to do the best to resolve them in a timely manner.

This leaflet tells you how you can inform Sakhalin Energy of grievances or express concerns due to the company's activity or the Sakhalin-2 project including its operational phase and development projects.

It also sets out the steps that will be taken to resolve your concerns.

WHAT KINDS OF GRIEVANCES CAN I RAISE?

You can raise a grievance with Sakhalin Energy if you believe the Sakhalin-2 project implementation has a detrimental impact on the community, the environment or on quality of your life.

Examples of this may include:

- negative impacts on yourself or community, e.g. financial loss, physical harm, nuisance from traffic;
- dangers to health and safety or the environment;
- failure to comply with standards or legal obligations;
- harassment of any nature;
- criminal activity;
- improper conduct or unethical behaviour;
- financial malpractice or fraud;

- attempts to conceal any of these.

Sakhalin Energy will look into all received grievances. Sometimes the company may find that a grievance does not relate to the company's activity under the Sakhalin-2 project. In these cases, the company will explain it to you in writing. In all other cases the company will investigate the facts of adverse effect or noncompliance with standards. In case, if these facts will be confirmed, measures will be identified, which might be taken to resolve problem and avoid the incidents occurring again.

HOW DO I REPORT A GRIEVANCE?

There are several ways you can report a grievance:

- Send a completed grievance form (given at the end of the leaflet) to the postal address on the back of the form.
- Contact the information centre available at your community (the list of information centres of Sakhalin Energy is provided at the end of the leaflet).
- Contact CLO office in Korsakov (for grievances related to Korsakov district) – 11, Korsakovskaya St., Korsakov
- Send an e-mail to the following address: Grievancereport@sakhalinenergy.ru.
- Report a grievance via the company's web site
- Call the telephone number:

8 800 200 6624 – Sakhalin Energy “hot line”. For security reasons, there are no recorders or caller identification devices attached. If the phone is not answered, please call back.

+7 4242 66 2893 – Sakhalin Energy Social Performance Subdivision worked with grievances.

+7 9147599338 – CLO in Korsakov

+7 914 759 4208 – telephone number to be used if your concerns relate to the Sakhalin Indigenous Minorities Peoples. You may also call the numbers stated in the leaflet Grievance Procedure of the Sakhalin Indigenous Minorities Development Plan (at www.simdp.ru or in the Sakhalin Energy's information centres).

Note: The stated procedure does not forfeit of your lawful right to seize the court or other non-judicial authorities for processing your claims.

CONFIDENTIALITY AND ANONYMITY

You may wish to raise a concern in confidence under this procedure. If you ask Sakhalin Energy to protect your identity, it will not be disclosed without your consent. Details of submissions and allegations will remain secure within the team responsible for investigating your concerns. However, the situation may arise where your identity information should be disclosed (for instance where you are required to give evidence in court). The investigative team will discuss with you whether and how best to proceed.

You may also choose to raise a concern anonymously. However, remember that if you do not tell Sakhalin Energy who you are it may make it more difficult to look into the matter, to protect your position or to give you feedback. Accordingly, while Sakhalin Energy will consider anonymous reports, they are not encouraged. If you do insist on raising a concern anonymously, you will need to provide sufficient facts and data to enable the investigation team to look into the matter without your assistance.

GRIEVANCE EXAMINATION ACTIONS

Step 1: Receive complaint

You can send your grievance to the company in one of the ways described at the beginning of this leaflet.

Step 2: Grievance registration and appointment of a responsible person

After the company receives your grievance, a responsible person of grievance examination will be appointed and the grievance will be registered.

Step 3: Acknowledgement

The company will acknowledge receipt of your grievance by letter within 7 working days of having received the grievance. This acknowledgement will specify a contact person grievance reference indicator and tentative timeframe when resolution updates to be provided.

Step 4: Investigation, adjustment, engagement

The company will work to understand the cause of your grievance. At this time, the company representatives may contact you. After the grievance investigation, the company will inform you in writing about the results and the measures proposed for grievance resolution in case if these taking measures will be considered necessary. Besides the company representatives may contact you to find out what kind of actions to be taken to resolve your problem.

Step 5: Clouse-out of grievance

The company will make efforts to resolve your grievance within 45 working days from the date of its receiving.

If you consider the grievance to be satisfactorily resolved the company would ask you to sign a Statement of Satisfaction.

If your grievance is left unresolved, it will be re-reviewed, and the company will discuss possible further actions to settle it with you.

Step 6: Follow up

If you are happy for us to do so, Sakhalin Energy may contact you at a later stage to ensure that our activities continue to pose no further problems.

Sakhalin Energy public grievance form

You can submit your grievance anonymously if you wish. However, the more information you can provide, including your contact details, the more efficiently we will be able to follow-up.

Sakhalin Energy reference No:	
Full name: <i>Note: You can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent</i>	<hr/> <hr/> <input type="checkbox"/> I request not to disclose my identity without my consent <input type="checkbox"/> I wish to raise my grievance anonymously
Contact information: <i>Please mark how you wish to be contacted (mail, telephone, e-mail).</i> <i>Note: You do not have to give your details if you do not wish to provide them.</i>	<input type="checkbox"/> Address: _____ <input type="checkbox"/> Telephone: _____ <input type="checkbox"/> E-mail: _____
Passport number: <i>Note: You do not have to give your passport details if you do not wish to do so.</i>	<hr/>
Indigenous peoples-related?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Preferred language for communication: <i>Please mark how you wish to be contacted.</i>	<input type="checkbox"/> Russian <input type="checkbox"/> English <input type="checkbox"/> Other (please indicate) _____
Description of incident or grievance (What happened? When did it happen? Where did it happen? Who did it happen to? What is the result of the problem?): <hr/> <hr/> <hr/>	
What would you like to see happen to resolve the problem? <hr/> <hr/> <hr/>	

Signature: _____

Date: _____

Note: according to clause “Confidentiality and Anonymity” of the present leaflet grievances submitted anonymously will also be considered by the company. Therefore, the below signature is required only in case you have provided your personal data and ready to give your consent to its processing by Sakhalin Energy and disclosure of grievance-related information to the third parties.

I hereby submit a complaint to Sakhalin Energy, in order to consider my appeal and give consent to the processing of my personal data by the company in accordance with requirements of the Federal Law №152-FL “On personal data” dated 27.07.2006.

I am aware that this grievance of mine is submitted to Sakhalin Energy, but it may refer to actions of third parties, (for example, contractors of Sakhalin Energy). I understand that in order to efficiently resolve my grievance Sakhalin Energy will have to contact these third parties so as to check into the facts stated in the grievance and work out a solution. I hereby agree/not agree (underline as appropriate) to disclose data about the informer, the grievance (as well as additional information related to this grievance) to third parties.

Signature: _____

Date: _____

Please return this form to: External and Corporate Affairs, Specialist of Social Performance, Sakhalin Energy Investment Company Ltd, 35 Dzerzhinskogo St., Yuzhno-Sakhalinsk 693020, Russian Federation

9 CONTACT INFORMATION

For more information about the Sakhalin-2 project, please visit www.sakhalinenergy.ru (Russian) and www.sakhalinenergy.com (English).

Sakhalin Energy can also be contacted by:

- e-mail at ask@sakhalinenergy.ru;
- e-mail at Grievancereport@sakhalinenergy.ru – for reporting issues/grievances to Sakhalin Energy;
- fax to the Head of Government and Shareholders, Corporate Affairs Division at +7 4242 662808;
- letter to the Head of Government and Shareholders, Corporate Affairs Division, Sakhalin Energy Investment Company Ltd., 35, Dzerzhinskogo St., 693020, Yuzhno-Sakhalinsk, Russia;
- toll free hotline telephone for grievances (any social related issues): 8 800 200 6624. Available for Russian and English speakers, also, as preferred by applicant, the conversation can be supported in Russian or English as well as under the caller's he/she can be provided with the opportunity to talk to either male or female operators;
- telephone +7 4242 294208 (indigenous communities);
- telephone +7 4242 299338 (Korsakov community)
- telephone +7 4242 662866 (for Japanese stakeholders, in English; an interpreter to/from Japanese can be arranged upon prior submitted request);
- telephone in Moscow +7 495 9561750.

Locations of information centres and contact details of company representatives are provided in Appendix 2.

APPENDIX 1 STATEMENT OF GENERAL BUSINESS PRINCIPLES

OUR VALUES

Sakhalin Energy employees share a set of core values - honesty, integrity and respect for people. We also firmly believe in the fundamental importance of trust, openness, teamwork and professionalism, and pride in what we do.

SUSTAINABLE DEVELOPMENT

As part of the Business Principles, we commit to contribute to sustainable development. This requires balancing short and long-term interests, integrating economic, environmental and social considerations into business decision-making.

RESPONSIBILITIES

Sakhalin Energy recognises six areas of responsibility. It is the duty of management to continuously assess the priorities and discharge these inseparable responsibilities on the basis of that assessment.

a. To shareholders

To protect shareholders' investment, and provide a long-term return competitive with those of other leading companies in the industry.

b. To the Russian Party

To respect our obligations towards the Federation of Russia and the Sakhalin Oblast and to protect its rights under the Production Sharing Agreement entered into by Sakhalin Energy and those parties.

c. To customers

To win and maintain customers by developing and providing products and services which offer value in terms of price, quality, safety and environmental impact, which are supported by the requisite technological, environmental and commercial expertise.

d. To employees

To respect the human rights of our employees and to provide them with good and safe working conditions, competitive terms and conditions of employment. To promote the development and best use of the talents of our employees; to create an inclusive work environment where every employee has an equal opportunity to develop his or her skills and talents. To encourage the involvement of employees in the planning and direction of their work; to provide them with channels to report concerns. We recognise that commercial success depends on the full commitment of all employees.

e. To those with whom we do business

To seek mutually beneficial relationships with contractors and suppliers to promote the application of these Sakhalin Energy General Business Principles or equivalent principles in such relationships. The ability to promote these principles effectively will be an important factor in the decision to enter into or remain in such relationships.

f. To society

To conduct business as responsible corporate members of society, to observe the laws of the Russian Federation and the other countries in which Sakhalin Energy operates, to support fundamental human rights in line with the legitimate role of business, and to give proper regard to health, safety, security and the environment.

Principle 1: Economic

Long-term profitability is essential to achieving our business goals and to our continued growth. It is a measure both of efficiency and of the value that customers place on Sakhalin Energy's products and services. It supplies the necessary corporate resources for the continuing investment that is required to develop and produce future energy supplies to meet customer needs. Without profits and a strong financial foundation, it would not be possible to fulfil our responsibilities.

Criteria for investment and divestment decisions include sustainable development considerations (economic, social and environmental) and an appraisal of the risks of the investment.

Principle 2: Competition

Sakhalin Energy supports free enterprise. We seek to compete fairly and ethically and within the framework of applicable competition laws; we will not prevent others from competing freely with us.

Principle 3: Business integrity

Sakhalin Energy insists on honesty, integrity and fairness in all aspects of our business and expects the same in our relationships with all those with whom we do business. The direct or indirect offer, payment, soliciting or acceptance of bribes in any form is unacceptable. Facilitation payments are also bribes and should not be made.

Employees must avoid conflicts of interest between their private activities and their part in the conduct of company business. Employees must also declare to their employing company potential conflicts of interest. All business transactions on behalf of Sakhalin Energy must be reflected accurately and fairly in the accounts of the company in accordance with established procedures and are subject to audit and disclosure.

Principle 4: Political activities:

a. of companies

Sakhalin Energy act in a socially responsible manner within the laws of the Russian Federation and the other countries in which we operate in pursuit of our legitimate commercial objectives.

Sakhalin Energy does not make payments to political parties, organizations or their representatives or take part in party politics. However, when dealing with governments, Sakhalin Energy has the right and the responsibility to make our position known on any matters, which affect us, our employees, our customers, our shareholders or local communities in a manner that is in accordance with our values and the Business Principles.

b. of employees

Where individuals wish to engage in activities in the community, including standing for election to public office, they will be given the opportunity to do so where this is appropriate in the light of local circumstances.

Principle 5: Health, Safety, Security and the Environment

Sakhalin Energy has a systematic approach to health, safety, security and environmental management in order to achieve continuous performance improvement.

To this end, Sakhalin Energy manages these matters as critical business activities, set standards and targets for improvement, and measure, appraise and report

performance externally. We continually look for ways to reduce the environmental impact of our operations, products and services.

Principle 6: Local Communities

Sakhalin Energy aims to be good neighbours by continuously improving the ways in which we contribute directly or indirectly to the general well-being of the communities within which we work.

We manage the social impacts of our business activities carefully and work with others to enhance the benefits to local communities, and to mitigate any negative impacts from our activities.

In addition, Sakhalin Energy takes a constructive interest in societal matters, directly or indirectly related to our business.

Principle 7: Communication and Engagement

Sakhalin Energy recognises that regular dialogue and engagement with our stakeholders is essential. We are committed to reporting of our performance by providing full relevant information to legitimately interested parties, subject to any overriding considerations of business confidentiality.

In our interactions with employees, business partners and local communities, we seek to listen and respond to them honestly and responsibly.

Principle 8: Compliance

We comply with all applicable laws and regulations of the countries in which we operate.

Living by our Principles

Our shared core values of honesty, integrity and respect for people, underpin all the work we do and are the foundation of our Business Principles.

The Business Principles apply to all transactions, large or small, and drive the behaviour expected of every employee in every Sakhalin Energy company in the conduct of its business at all times.

We are judged by how we act. Our reputation will be upheld if we act in accordance with the law and the Business Principles. We encourage our business partners to live by them or by equivalent principles.

We encourage our employees to demonstrate leadership, accountability and teamwork, and through these behaviours, to contribute to the overall success of Sakhalin Energy.

It is the responsibility of management to lead by example, to ensure that all employees are aware of these principles, and behave in accordance with the spirit as well as with the letter of this statement.

The application of these principles is underpinned by a comprehensive set of assurance procedures, which are designed to make sure that our employees understand the principles and confirm that they act in accordance with them.

As part of the assurance system, it is also the responsibility of management to provide employees with safe and confidential channels to raise concerns and report instances of non-compliance. In turn, it is the responsibility of Sakhalin Energy employees to report suspected breaches of the Business Principles to Sakhalin Energy.

The Business Principles have for many years been fundamental to how we conduct our business and living by them is crucial to our continued success.

APPENDIX 2 LOCATIONS OF INFORMATION CENTRES AND CONTACT DETAILS OF THE COMPANY REPRESENTATIVES

District	Community	Key project asset in / near community	Sakhalin Energy documents / information materials location	Community liaison organization's contacts	District newspapers
Nogliki	Val	Gas transfer terminal Boatasino, Pipeline	Nogliki, 5a Pogranichnaya St., district library, tel.: +7 42444 91057	29 42 08 66 24 61	Znamya Truda
	Venskoye	Pipeline			
	Nogliki	Pipeline, pipeline maintenance depot (PMD)			
	Nysh	OPF (apart of 70 km from the community)			
Tymovsk	Voskresenovka	Pipeline	Tymovskoye, 68a Kirovskaya St., district library, tel.: +7 42447 22478	66 24 61	Tymovskyy Vestnik
	Molodezhnoye		Molodezhnoye, 14 Sovetskaya St., library		
	Tymovskoye		Tymovskoye, 68a Kirovskaya St., district library, tel.: +7 42447 22478		
	Voskhod		Kirovskoye, 70 Centralnaya St., library		
	Podgornoe				
	Kirovskoye				
	Yasnoye	Pipeline, PMD	Yasnoye, 2 Titova St., library		

	Palevo	Pipeline			
Smirnykh	Onor	Pipeline	Onor, 21 Sovetskaya St., library	66 24 61	Novaya Zhizn
	Roschino		Roschino, 4 Komsomolskaya St., library		
	Pobedino		Pobedino, 60 Centralnaya St., library		
	Smirnykh		Smirnykh, 12 Lenina St., district library, tel.: +7 42452 22367		
	Elniki		Buyukly, 1 Kosmonavtov St., library		
Buyukly					
Poronaisk	Leonidovo	Pipeline	Poronaisk, 45 Gagarina St., district library, tel.: +7 42431 42713	29 42 08 66 24 61	Express, Zvezda
	Poronaisk				
	Tikhmenevo				
	Gastello	Booster station, PMD	Gastello, 42-2 Centralnaya St., library		
	Vostok	Pipeline	Vostok, 10a Gagarina St., library		
Makarov	Novoye	Pipeline	Novoye, 11A-7, Centralnaya St., library	66 24 61	Novaya Gazeta
	Gornoye				
	Tumanovo				
	Makarov		Makarov, 9-a 50 Let Oktyabrya St., district library, tel.: +7 42443 53378		

	Vostochnoye Pugachevo		Vostochnoye, 8 Privokzalnaya St., library		
Dolinsk	Vzmorye	Pipeline	Vzmorye, 22 Pionerskaya St., library	66 24 61	Dolinskaya Pravda
	Sovetskoye		Sovetskoye, 127a Centralnaya St., library		
	Dolinsk Pokrovka/ Oktyabrskoye/ Sosnovka/ Ruchyi		Dolinsk, 31 Lenin St., district library, tel.: +7 42442 25284		
	Sokol		Sokol, 14, Shirokaya St., library		
Aniva	Troitskoye	Pipeline	Troitskoye, 13 Sovetskaya St., library	66 24 61	Utro Rodiny
	Novo-Troitskoye				
	Mitsulevka				
Korsakov	Solovyevka	LNG/OET	Korsakov, 7 Molodyezhnyi Per., city youth library	66 24 61	Voskhod
	Ozerskoye				
	Chapaevo				
	Korsakov				
Kholmsk	Kholmsk	Port	Kholmsk, 124 Sovetskaya St., district library, tel.: +7 42433 50862	66 24 61	Kholmskaya Panorama

APPENDIX 3 CONTACT INFORMATION FOR DISTRIBUTION OF SIMDP INFORMATION MATERIALS

DISTRICT	COMMUNITY	SIMDP DOCUMENTATION AND INFORMATION MATERIALS	BULLETIN BOARD LOCATION	CONTACT OF COMMUNITY LIASION OFFICER
Okha	Okha	Library, Administration, Local non-government organization of IP of Okha district	Library, 17 Lenina St.	29 42 08 66 20 09
	Nekrasovka	Library, Okha local non-government organization "Center on saving and development of the traditional IP culture "Kykhkykh" ("Swan")	Library, 4 Klubnaya St., ap. 2	
Nogliki	Nogliki	Nogliki municipal regional museum, central district library Administration	Nogliki municipal regional museum, 60 Sovetskaya St.	29 42 08 66 20 09
	Val	Library, Administration	Library, 23 Shkolnaya St.	
Tymovsk	Tymovskoye	Regional library, Administration	Regional library, 68a Kirovskaya St.	29 42 08 66 20 09
	Chir-Unvd	Library, Administration	Library, 6 Sovetskaya St.	
Aleksandrovsk-Sakhalinskiy	Aleksandrovsk-Sakhalinskiy	Administration		29 42 08 66 20 09
	Viakhtu	Library, Administration	Library, 4 Pochtovaya St.	
	Trambaus	Library	2 Morskaya St.	

DISTRICT	COMMUNITY	SIMDP DOCUMENTATION AND INFORMATION MATERIALS	BULLETIN BOARD LOCATION	CONTACT OF COMMUNITY LIASION OFFICER
Smirnykh	Smirnykh	Regional library, Administration	Regional library, 12 Lenina St.	29 42 08
	Buyukly	Library	1 Kosmonavtov St.	66 20 09
Poronaisk	Poronaisk	Regional libraries, Administration, Local non-government organization of IP of Poronaisk district	Regional libraries, 45 Gagarina St.	29 42 08 66 20 09
Yuzhno-Sakhalinsk	Yuzhno-Sakhalinsk	Administration, IP administration of Sakhalin Government		29 42 08 66 20 09

APPENDIX 4 LIST OF STAKEHOLDERS FOR THE OPERATIONAL PHASE OF THE SAKHALIN-2 PROJECT

Local & RFE	National	Regional	International
Sakhalin Environment Watch	WWF – Russia	Consulate General of Japan	WWF International
Sakhalin Fishing Associations and co-operatives	IFAW-Russia	Hokkaido Government	Pacific Environment
Russian Geographical Society	Greenpeace – Russia	Souya General Subprefectural Bureau of Hokkaido Government	Wild Salmon Centre
Marine Rescue Centre	IUCN	Okhotsk General Subprefectural Bureau of Hokkaido Government	International Bird Rescue Research Centre
Rodnik Environmental Centre	EcoJuris	Mombetsu City	Kidsave International
Sakhalin State University	Association of Indigenous Minorities People of the North, Siberia and the Far East	Rumoi Subprefectural Bureau of Hokkaido Government	International Bird Rescue Research Centre
Institute of Development of Education	National Forum on Corporate Social Responsibility	Fisheries Agency of Japan	FRAEC
Sakhalin Branch of Russian Journalists Association	Non-commercial partnership “CSR – Russian Centre”	Hokkaido Bureau of Economy, Trade and Industry	UNDP
Boomerang	Association of Managers	Hokkaido Legislative Assembly	UN Global Compact
Sakhalin Regional Centre for Additional Education	CSR Centre of PriceWaterHouse Cooper	Bureau of Tourism, Department of Economic Affairs, Hokkaido Government	UN LEAD
Centre of National Culture	Donors’ Forum	Japan Coast Guard – Headquarters (Tokyo) and Regional Headquarters	International Forum of Business Leaders
Sakhalin Art Museum	Sustainable Development Foundation	Hokkaido Fisheries Environmental Centre	
Sakhalin Oblast Library	Centre of Social	Hokkaido fisheries cooperative associations	
Yuzhno-Sakhalinsk City Library			
Centre for rehabilitation of disabled children “Preodolenie”			
Sakhalin Community			
Association of Indigenous People			
Poronaisk Lyceum of Traditional Industries of the People of the North			

Local & RFE	National	Regional	International
<p>Veterans Societies</p> <p>Korsakov Rotary Club</p> <p>Sakhalin Oblast Lore Museum</p> <p>Museum of Chekhov' book "Sakhalin Island"</p> <p>Sakhalin Puppet Theatre</p> <p>Sakhalin NGO "Frantirer"</p> <p>Sakhalin sport associations and federations</p> <p>Local schools and kindergartens in Sakhalin communities</p> <p>Sakhalin Regional Tourism NGO "Adrenalin"</p> <p>Sakhalin regional and municipal disabled societies</p> <p>Sakhalin Regional NGO "Motherland"</p> <p>Regional Social Movement (RSM) Union of Indigenous Peoples of Sakhalin</p> <p>Regional council of Sakhalin IP authorized representatives</p> <p>Tribal enterprises, family farms, communes or other Sakhalin IP communities</p> <p>Municipal museums and libraries in Nogliki, Okha, Tymovsk, Poronaisk, Makarov, Aleksandrovsk-Sakhalinsk, Korsakov, Kholmsk, Aniva, Smirnykh</p> <p>Sakhalin regional centre of folk art</p> <p>Sakhalin regional public organization "Youth Council of IP of the North"</p> <p>NGO "Centre of preservation and development of traditional culture "KykhKykh" ("Swan")"</p>	<p>Technologies "Garant"</p> <p>Centre for Support of Public Initiatives</p> <p>State Russian Museum</p> <p>Social information agency (ASI)</p> <p>RF Far Eastern International Fund "Batani"</p> <p>Union of IP communities of the North, Siberia and the Far East</p> <p>Institute of Indigenous People of North named after A.I. Gertsen (Saint-Petersburg)</p> <p>Federal State Institution of Science of the Order of Friendship of Peoples Ethnology and Anthropology Institute named NN Miklukho-Maclay</p> <p>Russian Union of Industrialists and Entrepreneurs (RUIE)</p>	<p>(Wakkanai, Sarufutu, Esashi, Abashiri, Kitarumoi, Otarushi, Tokoro, Yuubetsu, Oumu, Ishikariwan, etc.)</p> <p>Japan Environment Disaster Information Centre</p> <p>Hokkaido University</p> <p>Ship and Ocean Foundation</p> <p>Friends of Earth Japan</p> <p>IFAW – Japan</p> <p>WWF Japan</p> <p>Wildlife Preservation Bureau of Hokkaido</p> <p>Etopilika</p> <p>Hokkaido Raptores Research</p> <p>Wild Bird Society of Japan</p> <p>Yamashina Institute for Ornithology</p> <p>Okhotsk Environmental Protection Network</p>	

Local & RFE	National	Regional	International
<p>Khabarovsk IP Association</p> <p>Information centre "Latch" (Petropavlovsk-Kamchatskiy)</p> <p>Local non-government Okha IP organization</p> <p>Local non-government Poronaisk IP organization</p> <p>Ethnic and cultural centre "Ykh Myth People"</p> <p>Municipal administrations in the areas of traditional residence of Sakhalin indigenous peoples</p> <p>Sakhalin regional museum</p>			

APPENDIX 5 LIST OF EXISTING JAPANESE STAKEHOLDERS ON SAKHALIN ENERGY DATABASE

Detailed description of the engagement principles and activities with Japanese stakeholders is provided in Section 6.12 of this plan.

Japanese stakeholders	
Consulate General of Japan Hokkaido Government Souya General Subprefectural Bureau of Hokkaido Government Okhotsk General Subprefectural Bureau of Hokkaido Government Mombetsu City Rumoi Subprefectural Bureau of Hokkaido Government Fisheries Agency of Japan Hokkaido Bureau of Economy, Trade and Industry Hokkaido Legislative Assembly Hokkaido Fisheries Environmental Center Hokkaido fisheries cooperative associations (Wakkanai, Sarufutu, Esashi, Abashiri, Kitarumoi, Otarushi, Tokoro, Yuubetsu, Oumu, Ishikariwan, etc.)	Japan Coast Guard – Headquarters (Tokyo) and Regional Headquarters Japan Environment Disaster Information Centre Hokkaido University Friends of Earth Japan IFAW – Japan WWF Japan Wildlife Preservation Bureau of Hokkaido Etopilika Hokkaido Raptors Research Wild Bird Society of Japan Yamashina Institute for Ornithology Okhotsk Environmental Protection Network Hokkaido University

If an organisation or individual would like to be added to the list of interested stakeholders they should contact Sakhalin Energy:

- Via e-mail: ask@sakhalinenergy.ru.
- Via telephone: +7 4242 662866 (English speaking, an interpreter to/from Japanese will be arranged upon request).
- Via fax: +7 4242 662808.

List of libraries in Japan where Sakhalin Energy materials are available for review:

Wakkanai Library, 4-1-1, Daikoku, Wakkanai-shi, Hokkaido, tel.: 81-162-23-3874;

Mombetsu Library, 3-1-8, Saiwaicho, Mombetsu-shi, Hokkaido, tel.: 81-1582-4-2111;

Abashiri Library, 3 chome, Kita 2 jyo Nishi, Abashiri-shi, Hokkaido, tel.: 81-152-43-2426;

Hokkaido Library, 41, Higashi-machi, Bunkyo dai, Ebetsu-shi, Hokkaido, tel.: 81-11-386-8521.

APPENDIX 6 LIST OF ABBREVIATIONS

ASI	Agency of Social Information
BVS	Block Valve Station
CLO	Community Liaison Officer
CSR	Corporate social responsibility
EA	External Affairs
EIA	Environmental impact assessment
ESHIA	Environmental, social and health impact assessment
FRAEC	Foundation for Russian American Economic Cooperation
GDP	Gas delivery point
GDS	Gas distribution station
GRI	Global Reporting Initiative
GTT	Gas transfer terminal
HSE	Health, safety, environment
HSESAP	Health, Safety, Environment and Social Action Plan
IC	Information centres
IEC	Independent environmental consultant
IFAW	International Fund for Animal Welfare
IFC	International Finance Corporation
IP	Indigenous people
IUCN	International Union for Conservation of Nature
JCG	Japan Coast Guards
MDPC	Marine Disaster Prevention Centre
NGO	Non-governmental organizations
OEPN	Okhotsk environment protection net
OPF	Onshore production facility
OSR	Oil spill response
PCDP	Public Consultation and Disclosure Plan
PCDR	Public Consultation and Disclosure Report
PSA	Production Sharing Agreement
RAIPON	Russian Association of Indigenous Peoples of the North
RAP	Resettlement Action Plan
RF	Russian Federation
RFE	Russian Far East
RGS	Russian Geographical Society
RSPF	Russian Union of Industrialists and Entrepreneurs
SD	Sustainable development
SEW	Sakhalin Environmental Watch
SI	Social investments
SIA	Social impact assessment
SIMDP	Sakhalin Indigenous Minorities Development Plan
SPZ	Sanitary protection zone
TEOC	Technical and Economic Substantiation of Construction
UN	United Nations
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
WGW	Western Gray Whales
WGWAP	Western Gray Whales Advisory Panel
WWF	World Wildlife Fund

