



**Sakhalin Energy Investment Company Ltd.
Public consultation and disclosure report, 2017**

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1 INTRODUCTION

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

This document describes Sakhalin Energy's public consultation and the disclosure of information as of 31 December 2017, and includes:

- Summary of consultation held in 2017.
- Summary of consultation held with different stakeholder categories.
- Summary of feedback from consultation.
- Information of community grievance procedure implementation.

Information of consultations under the Train 3 Project is presented in the Train 3 PCDP.

There are five appendices to this document:

- Appendix 1 provides a summary of non-governmental and community organisations which have been involved to date.
- Appendix 2 provides information on locations of information centres and contact details of the company representatives.
- Appendix 3 provides contact information for distribution of SIMDP information materials.
- Appendix 4 list the existing stakeholders in Japan, in particular, on the island of Hokkaido.
- Appendix 5 list used abbreviations.

Sakhalin Energy will update this report on an annual basis.

2 CONSULTATION AND INFORMATION DISCLOSURE

2.1 Consultations carried out in 2017, general information

The types of consultation Sakhalin Energy has carried out in 2017 are presented in the Table 1 below.

Table 1: Types of consultation carried out in 2017

TYPE	EXAMPLES
Public consultations	<ul style="list-style-type: none"> Public meetings (in local administrations, culture centres, libraries) Public hearings under the environmental impact assessment in accordance with the RF legislation Dialogues with stakeholders within frame of sustainable development report preparation
Group meetings	<ul style="list-style-type: none"> Focus group meetings with indigenous people Seminars, information sessions (e.g., with potential grant applicants)
Individual meetings, etc	<ul style="list-style-type: none"> Meetings with experts (e.g., administration, specialists from health, education, social or cultural departments, entrepreneurs, key figures in the community) Public opinion survey in form of an interview Focus meetings with community

Table 2: Sakhalin community consultations in 2017

DATE	CONSULTATIONS	KEY PURPOSE	NUMBER OF MEETINGS	NUMBER OF PEOPLE
February	The second round of a dialogue with stakeholders under sustainable development report preparation, meeting in Yuzhno-Sakhalinsk	2016 sustainable development report preparation*	1	28
January-February	Consultations under SIMDP 3 in the traditional areas of indigenous residence:	Information on implementation of SIMDP 3 for 2016, SIMDP grievance procedure, SIMDP programmes for	15	276

*In 2009 Sakhalin Energy joined the UN Global Compact and decided to follow the public non-financial reporting standard of the Global Reporting Initiative (GRI). Consultation summary under sustainable development report preparation is described in Section 2.2

DATE	CONSULTATIONS	KEY PURPOSE	NUMBER OF MEETINGS	NUMBER OF PEOPLE
	Poronaisk, Smirnykh, Aleksandrovsk-Sakhalinsky, Viakhtu, Trambaus, Chir-Unvd, Okha, Nekrasovka, Val, Nogliki and Yuzhno-Sakhalinsk	2017. Individual consultations and consultations on development of applications for grant programmes		
April-June	Public meetings in Nogliki, Val, Nysh, Nekrasovka, Chir-Unvd, Tymovskoe Smirnykh, Gastello, Poronaisk, Makarov, Dolinsk, Troitskoe, Korsakov	Overview of the information on Sakhalin-2 project and the company's activity, social initiatives, sustainable development and social investments projects, grievance procedure and community awareness programme	13	106
June-July	Community consultations in Korsakov district under the Korsakov Partnership Council on sustainable development (Korsakov, Novikovo, Chapaevo, Solovyovka, Ozerskoye, Razdolnoye, Lesnoye, Okhotskoe, the 3rd Pad', Dachnoye)	Consultations on activity of the Korsakov Partnership Council on sustainable development and social projects	10	87
June-July	Individual meetings with participants, beneficiaries, members of coordinating bodies and other	Assessment of effectiveness of Sakhalin Energy's social initiatives	41	127

DATE	CONSULTATIONS	KEY PURPOSE	NUMBER OF MEETINGS	NUMBER OF PEOPLE
	stakeholders under external social audit (assessment of the company's social programmes) (Yuzhno-Sakhalinsk, Korsakov, Nogliki, Tymovskoye and others)			
August	Public opinion survey in 14 Sakhalin communities, which are located in the vicinity of project activities. Method of the survey - individual interviews with a questionnaire	Survey of public attitude towards the project activities under social impact monitoring programme	14	700
October	The first round of a dialogue with stakeholders under sustainable development report preparation, meeting in Yuzhno-Sakhalinsk	2017 sustainable development report preparation	1	29
November	Individual meetings in the traditional areas of indigenous residence: Poronaisk, Smirnykh, Viakhtu, Chir-Unvd, Okha, Nekrasovka, Val, Nogliki, Yuzhno-Sakhalinsk	Internal monitoring of SIMDP 3 projects for 2017 and individual consultations	39	48
November	Public meeting in Korsakov	Overview of the information on Sakhalin-2 project and the company's activity	1	20

DATE	CONSULTATIONS	KEY PURPOSE	NUMBER OF MEETINGS	NUMBER OF PEOPLE
November	Bus tours around Prigorodnoye production complex in Korsakov district for Korsakov community ¹	Update on Sakhalin-2 project progress and Prigorodnoye complex in particular, information about social development and social investment programmes in Korsakov district	1	50
November-December	Individual meetings with participants, beneficiaries, members of the coordinating bodies and other stakeholders under SIMDP 3 external monitoring (Poronaisk, Smirnykh, Aleksandrovs-Sakhalinsky, Viakhtu, Chir-Unvd, Okha, Nekrasovka, Val, Nogliki, Yuzhno-Sakhalinsk)	SIMDP 3 external monitoring	60	71
Total				1542

2.2 Stakeholder engagement within framework of sustainable development report preparation

In 2009 Sakhalin Energy decided to follow the public non-financial reporting standard of the Global Reporting Initiative (GRI) (www.globalreporting.org).

Sustainable development report covers the results of Sakhalin Energy activities, including environmental protection, personnel development, stakeholder engagement, social projects and other aspects. Sustainable development report is available in public domain at the company's official website, Sakhalin Energy's information centres, located in the Sakhalin communities, company's office in Korsakov and is widely distributed among project's stakeholders.

As part of preparation of the reports, 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

¹ Announcements of the bus tours were published in the local newspaper "Voskhod".

responsibility in production, environment and social areas.

Consultations are conducted in a form of dialogue twice a year. During the first round of a dialogue the company presents preliminary information on the company's activities 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 the dialogue the company responds to the stakeholders' comments and questions received during the first round of the dialogue. Results of consultations are included into sustainable development report of the corresponding reporting period.

Stakeholders involved in these dialogues are local communities, NGOs, authorities, experts that usually engage with Sakhalin Energy on the issues of environment, social and other areas of sustainable development. Direct written invitation method is used to contact the participants prior to the dialogues as well as open invitations via regional newspapers and internet resources. In addition, the company invites stakeholders to contribute to sustainable development reporting through a questionnaire (appended to each sustainable development report).

In 2017 the company conducted two rounds of the dialogue:

- February 2017 – the second round of the dialogue under 2016 sustainable development report preparation, where the company answered questions and comments received during the first round of the dialogue. Summary of dialogues within the framework of 2016 sustainable development report is included into the report (see the report on the company's website: <http://www.sakhalinenergy.ru/en/media-centre/reports.wbp>).
- October 2017 – the first round of the dialogue under 2017 sustainable development report preparation, where the company presented to stakeholders information on the company's activities and achievements for the reporting period.

Also in November-December 2017 under the preparation of the report for 2017, detailed consultations were conducted with all key groups of stakeholders, including shareholders, customers, government authorities, lenders, company staff, contractors, NGOs, community, etc. The main methods of engagement were survey (including forms distribution via e-mail to stakeholders, staff survey) focus groups and face to face meetings. In addition, there was survey under annual public meetings.

In April 2017 the company conducted a public presentation of 2016 sustainable development report in Moscow. Representatives of scientific and expert community, federal and regional authorities, business, indigenous people, NGOs and other society representatives and mass-media attended the presentation.

Successful public endorsement of the 2016 sustainable development report conducted by non-financial reporting Council of Russian Union of industrialists and entrepreneurs (RSPP) became a major milestone. As it underlined in the RSPP conclusion, the report "contain important information, covers all key areas of responsible business practice in compliance with the principles of Russian Business Social Charter and with sufficient completeness of information on the company's activities in these areas". RSPP conclusion and certificate are available in the Sustainable Development Report (Appendixes 7 and 8).

2.3 Consultation and information disclosure in project affected communities

Sakhalin Energy endeavoured to ensure that the people and groups it consulted with were representative and inclusive of vulnerable groups; respect local traditions and cultural norms in discussions and decision-making; and that face-to-face meetings

arranged are varied and create conditions that encourage wide and diverse participation.

In 2017 Sakhalin Energy conducted public meetings in 13 communities. The reports about the meetings and concerns raised by the communities can be found on company's website www.sakhalinenergy.com. Please refer to the Table 2 for more details.

The information on date, time and venue for the public meetings were announced in key Sakhalin newspapers (as listed in the Table 3) three weeks prior to the public meeting. The timetable of the meetings was available on the company's website.

2.3.1 Consultations and information disclosure with residents in the vicinity of Prigorodnoye complex accommodation facilities

In 2017 the company specialists held one meeting with Korsakov residents (in June) living in close proximity to Prigorodnoye complex accommodation facilities under social impact monitoring programme in order to identify potential concerns and impacts, to monitor post resolution of grievances and to inform the community on project implementation status.

2.3.2 CLO activities in communities

As a result of 2014 restructuring, the community liaison organisation was re-configured into a community liaison structure.

Key role in the community liaison structure is played by two teams within the government and shareholder relations and external affairs: social performance and communications, stakeholder engagement and event management.

The community liaison structure also includes 23 information centres based in the local village and district libraries.

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

As in previous years, an efficient means of engagement with the Sakhalin population was a network of 23 information centres based on district and rural libraries and located in settlements along the pipeline route and in the vicinity of other company's facilities. The information about the company information centres was published in key Sakhalin newspapers (the list of newspapers is provided in the Table 3), posted on the company's information boards and on the company's website. Thanks to the information centres Sakhalin Energy established an effective system of receiving feedback from communities residing in close vicinity to Sakhalin Energy assets. On the regular basis Sakhalin Energy provided information materials to affected communities via company's information centres, including the following types of materials: corporate news-bulletin *Vesti*, annual PCDP and PCDR, sustainable development report, grievance procedure leaflets, posters with information on social programmes, etc.

Community residents had an opportunity to contact the company's information centre consultants any time during the regular library business hours at their convenience. The list of company's information centres is maintained on Sakhalin Energy website.

In December 2017, information centre consultants participated in a regular annual training workshop to gain better knowledge of the company's activity. The workshop programme included the following key topics:

- Overview of the Sakhalin-2 project.
- Information centres: results of activity and plans for 2018.

- Sakhalin Energy’s public non-financial reporting: sustainable development report.
- Sakhalin: Man and the Sea project: formation and development of volunteers group on a marine mammal rescue.
- Archaeological heritage of Sakhalin Island.
- OPF compression station project.
- Train 3 construction project.
- Grievance procedure.
- Book donation project.

4925 people visited Sakhalin Energy’s information centres in 2017. The focus of the public interest was on general information on the Sakhalin-2 project, corporate news-bulletin *Vesti* and company’s social programmes.

2.3.3 Consultations and information disclosure with members of gardeners’ non-commercial partnership “Stroitel”

Throughout 2017 Sakhalin Energy continued engagement with dacha community and responded to queries or questions during consultations with the community leader and other representatives. In addition, Sakhalin Energy continued implementing the quality of life monitoring (including air quality and noise levels monitoring) during the dacha season, i.e. May-October, as required under the HSESAP and which is open to the dacha residents through presence during the measurements. The results of the monitoring were regularly reported to the chairman of the dacha community.

Table 3: The engagement with dacha owners in 2017

DATE	ENGAGEMENT	NUMBER OF PEOPLE
January	Invitation to company dialogue with stakeholders under the preparation of the sustainable development report. The dialogue was held on 3 February.	Dacha owners did not attend the dialogue.
April	Invitation to public hearings on design documentation “LNG plant improvement. Sakhalin-2 project. LNG jetty” including EIA ² materials on 20 April.	Six dacha owners participated in the public hearings.
May	Invitation to the annual public meeting with the company’s specialists on 8 June.	Six dacha owners participated in the meeting

² Consultations under Train 3 project including the public hearings are described in the Train 3 PCDP

	Notification of the planned maintenance works with gas flaring at the Prigorodnoye production complex.	Not applicable
May-October	Air and noise monitoring during the dacha season.	As a rule, the dacha owners were invited to participate in all these monitoring sessions. But they did not participate in air and noise monitoring.
June	Focused meeting with dacha owners on 15 June to discuss questions/issues on the results of the public meeting held on 8 June.	Two dacha owners participated the meeting.
July	Meeting under the social monitoring in July.	Had meeting with the chairperson.
	Reminder letter on weekly alarm system testing at the Prigorodnoye production complex.	Not applicable
September	Meeting with Lenders' Independent Environmental Consultant in September	Seven dacha owners participated in the meeting.
October	Invitation to company dialogue with stakeholders under the preparation of the sustainable development report. The dialogue was held on 27 October.	Two dacha owners participated in the dialogue.
November	Invitation to public meeting with the company's specialists in November	Three dacha owners were presented at the meeting.
Through the whole year around	Ad hoc phone engagement	Not applicable

During the meetings dacha owners raised questions on air monitoring, compensations or their resentment, change of SPZ size due to perspectives of the LNG Train 3 construction.

2.3.4 Other methods of communication with affected communities

Sakhalin Energy provided regular information about the project in advertisements, question and answer sessions and in local media (newspapers are listed in Section 2.5) and on the company's public website: www.sakhalinenergy.ru (Russian) and www.sakhalinenergy.com (English).

In electronic version:

- “Energy” corporate TV programme;
- corporate internet site.

In hard copies the following material was distributed:

- corporate news-bulletin *Vesti*;
- sustainable development report;
- lenders and lenders' independent consultant HSESAP implementation reports;
- grievance procedure leaflets;
- annual PCDP and PCDR.

In 2017 Sakhalin Energy continued to operate special free hotlines:

- For telephone queries and complaints from communities within Sakhalin Island – numbers are 8 800 200 6624 (toll free). Available for Russian and English speakers, as well as under the caller's request, he/she can be provided with the opportunity to talk to either male or female operators.
- Telephone +7 4242 66 2866 (for Japanese stakeholders, in English; an interpreter to/from Japanese can be arranged upon request).
- Safety issues – number is +7 4242 66 2500 (dial from Sakhalin Island).

2.3.5 Community awareness programme

In 2017 Sakhalin Energy continued the information campaign as part of the community awareness programme.

The campaign involved publication of articles in district newspapers on a quarterly basis (the list of the newspapers is provided in the Table 3). Also, this information was included in the presentation provided during public meetings in district centres of key project-affected communities in 2017 (details on the meetings are provided in the Table 2).

2.3.6 Public opinion survey

The annual public opinion survey is one of the monitoring tools to ascertain public attitude towards the project. In 2017 the survey was conducted in 14 Sakhalin communities, which are situated in close vicinity of the project activities. Individual interviews with a questionnaire serve as a primary method of the survey. No significant issues or impacts under Sakhalin-2 project were identified as a result of 2017 survey.

2.4 Indigenous stakeholders

In 2017 the company continued its regular engagement with representatives of Sakhalin indigenous communities in the areas of traditional indigenous residence and traditional economic activities. Following the recommendations received at the SIMDP development stage, the partners put special emphasis on raising public

awareness of ongoing programmes and opportunities they would offer. For this purpose, the following was done in 2017:

- Public meetings were held with Sakhalin indigenous people (publicly, in groups and individually).
- Sakhalin indigenous minorities development plan's website was extensively used (www.simdp.ru).
- Regular information bulletin and other plan-related printed materials (leaflets, etc.) were issued and distributed among the stakeholders community.
- Updated and distributed documentations on the information boards, sent documents to the stakeholders (members of Regulatory Bodies of the plan, non-governmental organisations, tribal communities and municipal authorities, IP specialists of administrations) in 13 communities: Okha, Nekrasovka, Val, Nogliki, Tymovskoye, Chir-Unvd, Aleksandrovsk-Sakhalinsky, Viakhtu, Trambaus, Smirnykh, Buyukly, Poronaisk, Yuzhno-Sakhalinsk.
- Individual consultation regarding applications for financial support, participation in programmes and projects implementation under the SIMDP.
- Conducted CLO open hours in traditional areas of indigenous residence.
- Issued press-release, published articles, media coverage of events concerning Sakhalin IP.

In February 2017 representatives of the Regional Council of IP authorised representatives, Sakhalin Energy and Sakhalin Oblast Government had public meetings and meetings with representatives of IP, municipal authorities, NGOs and IP community in 11 settlements of traditional indigenous residence and economic activities (15 meetings). In particular, the participants were informed about SIMDP 3 implementation for 2016 and 2017, grievance procedure related to the plan, programmes of SIMDP 3, announcement of a grant contests under traditional economic activities support programme, and social development fund update and events for 2018. Then there were discussions of the above topics and other issues related to implementation and management of the plan at large and some of its programmes. A total of 276 people joined the discussion.

The external monitoring of SIMDP 3 implementation was held in 2017. The assessment was conducted by Gregory Guldin. The assessment was held in the areas of traditional indigenous residence under the assessment of SIMDP 3 implementation and consult with all stakeholders. The external monitoring report is available on the SIMDP website (www.simpd.ru).

In November, representatives of plan partners conducted internal monitoring of projects and individual consultations in all settlements of traditional residence and economic activities of indigenous people.

2.5 Consultations and disclosure in other Sakhalin communities

In 2017 Sakhalin Energy conducted consultations in 13 Sakhalin Island's district centres and other settlements.

Sakhalin residents could consult the two main Sakhalin Island newspapers (Gubernskiye Vedomosti and Sovetsky Sakhalin) as well as leading electronic information agencies (IA "Sakh.com", TIA "Ostrova", RIA "Sakhalin-Kurilly", IA "Citysakh", IA "SakhalinMedia") for details of project news. In addition, project news and information relevant to specific communities were published in the following 11 district newspapers.

Table 3: District newspapers for project news and information distribution

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

2.6 Engagement with community and other non-governmental organisations

The annual public consultation and disclosure report, sustainable development report and other publications that may be of interest were provided during the course of the year.

During 2017 the company continued its regular engagement with community and non-governmental organisations as follows:

- Sakhalin based NGOs participated in the dialogs with stakeholders under sustainable development report preparation (twice a year, see section 2.2).
- Cooperation with the Western Gray Whale Advisory Panel (during the year).
- Cooperation with NGOs and social institutions within the framework of Social Development/Social Investment company's programmes/projects. Meetings were held routinely under SD/SI projects and programmes.

Table 4 reflects the number of meetings held with organisations that have been consulted with, either as groups or separately in 2017.

Table 4: Meetings with community and other non-governmental organisations

Location	No.
Local (includes formal Indigenous organisations)	92
Regional/ National	70
Japan	3

2.7 Japanese stakeholder engagement

2.7.1 Introduction

Representatives of Sakhalin Energy were in contact with Japan-based specialists in trans-boundary issues, such as oil spill response (OSR) and biodiversity and have attended a number of conferences and meetings in 2017.

2.7.2 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 following materials are available in Japanese:

- executive summary of the ESHIA;
- sections of the Environmental Impact Assessment Addendum that have relevance in a trans-boundary context:
 - executive summary,
 - oil spill response,
 - baseline information on Steller's Sea Eagle,
 - marine mammals (other than Western Gray Whale),
 - marine and coastal commercial fisheries,
 - dredging and disposal in Aniva Bay,
 - material project changes since the 2003 EIA,
 - red data book and migratory birds,
 - executive summary of the IUCN report on February 2005 on the Western Gray Whale,
 - comparative environmental assessment report of the Western Gray Whale;
- the corporate oil spill response plan for Sakhalin-2 project (phase 2);
- the offshore Prigorodnoye oil spill response handbook;
- minutes of Sakhalin Energy's public meetings in Sapporo and Tokyo in April 2006; and
- executive summaries of the lenders' independent environmental consultant (IEC) site visits:
 - IEC site visit report September 2008;
 - IEC site visit report November 2008;
 - IEC site visit report May 2009;
 - IEC site visit report September 2009;
 - IEC site visit report March 2010;
 - IEC site visit report April 2010;
 - IEC site visit report June 2010;
 - IEC site visit report September 2011;
 - IEC site visit report September 2012;
 - IEC site visit report September 2013;
 - IEC site visit report October 2014;
 - IEC site visit report October 2015;
 - IEC site visit report October 2016.

- Health, Safety, Environment and Social Action Plan (HSESAP), revision 3, 2010 and documents that have relevance in a trans-boundary context:
 - comparison of HSESAP revisions 2 and 3;
 - Appendix 1. HSESAP commitments to company standards;
 - international requirements for occupational health and hygiene;
 - international requirements for managing risk;
 - international requirements for hazardous activities;
 - international requirements for road transport;
 - loss prevention in design and construction;
 - international requirements for air emissions and energy management;
 - international requirements for water management;
 - international requirements for waste management;
 - international requirements for soil and groundwater;
 - international requirements for land management;
 - international requirements for biodiversity³;
 - oil spill preparedness and response;
 - Steller's Sea Eagles and endangered red birds;
 - marine mammals specification;
 - dredging.
- Health, Safety, Environment and Social Action Plan (HSESAP), revision 4, 2015;
- Section of the PCDDP related to engagement with Japanese stakeholders.

2.7.3 Public consultation activities in Japan

During 2017 the company undertook 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 2017:

- 16 February – meeting with Hokkaido Government and Hokkaido Fisheries Environmental Centre.
- 19 February – Mombetsu Oil in Ice Symposium.
- 20 February – Oil spill workshop in Mombetsu under the International Symposium.
- 24 August – meeting with representatives of Japan Coast Guard in Abashiri.

During the above mentioned meetings, the company representatives informed on the Sakhalin-2 project implementation status, OSR preparedness and measures to ensure seismic resistance of Sakhalin-2 project's assets. The Sakhalin Energy

³ The International Requirement specifications related to the HSESAP are currently being revised. Versions in the Japanese language available on the Sakhalin Energy public website will be updated accordingly once revision of the HSESAP International Requirements has been finalised.

specialists from Government, Stakeholders and Corporate Affairs Division participated in the meetings.

A review of the engagement activities in Japan has been undertaken internally at the end of Q4 2017 to determine the 2018 programme.

2.8 Media and other interest groups

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

In 2017 representatives of Communication, Stakeholder Engagement and Event Management Subdivision conducted seven media briefings.

Media were invited to participate in media briefings or other meetings by telephone, and email.

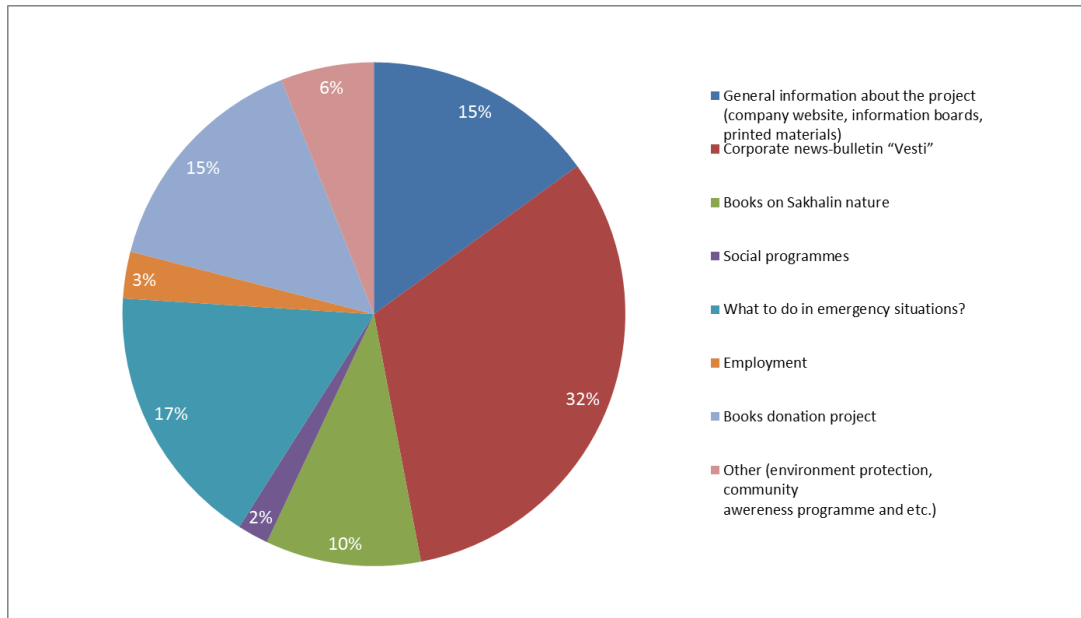
Table 5: Mass-media activities

Format	Frequency	Language
Media briefings for Sakhalin journalists	7	Russian
“Energy” corporate TV programme	24 (twice a month)	Russian
Publication of project related information in the district newspapers (please see the Table 3 for the list of newspapers)	12	Russian
Sakhalin Energy website	Regularly	Russian/English
Corporate news-bulletin <i>Vesti</i>	Monthly	Russian/English

3 FEEDBACK FROM CONSULTATIONS

Sakhalin Energy has relied heavily on feedback received from stakeholders in developing the consultation programmes.

The main questions that have been asked through the Sakhalin Energy information centres are shown on the diagram below (on the results of the information centres work). Majority of people expressed their interest in the company's information materials including the company's website and corporate news-bulletin *Vesti* as well as company's social programmes.



Questions raised during the public meetings held in 2017 are summarised here: <http://www.sakhalinenergy.ru/en/social/pr/>.

In addition, the summaries of stakeholders' dialogues within 2016 sustainable development report preparation were included into the report, Appendix 2 (see the report on the company's website: http://www.sakhalinenergy.ru/en/media/sd_report/).

4 COMMUNITY GRIEVANCE PROCEDURE

4.1 Reporting grievances

On regular basis the company distributes a community grievance leaflet, which advises those with a grievance on how they can lodge a grievance relating to Sakhalin-2 project activities. The community grievance leaflet was revised at the end of 2016 to include the up-to-date contact details, changes in the grievance leaflet. The leaflet was issued and distributed among stakeholders in accordance with the plan of the information campaign on grievance procedure in the beginning of 2017.

In 2017 the company ran a regular campaign on advertising of the grievance procedure aimed at distributing information on the grievance procedure among communities and contractors/subcontractors' employees. These included:

- Distribution of leaflets in all project affected communities and among the contractors/subcontractors' employees (for example, offices at facilities, camps, etc.).
- Distribution of pocket calendars with information about the community grievance procedure in project affected communities.
- Districts newspaper announcements.
- The placement of posters.
- A dedicated slide in every community presentation.
- Trainings for contractors to introduce community grievance procedure.

The grievance leaflet is also disseminated in Japan as part of the PCDP available in Japanese.

4.2 Grievance addressing in 2017

In 2017 the company received 15 grievances. Among grievances received in 2017, 53% were raised in connection with labour relations (contractor organisations); 13% – issues on camp management; 21% – issues on code of conduct; 13% – SIMDP implementation. For more information see the Table 6 below:

Table 6: Grievances lodged in 2017

Grievance category	Number of grievances lodged	%
Labour relations	8	53
Camp management	2	13
Code of conduct	3	21
SIMDP implementation	2	13
Total	15	100

As of end of 2017, 15 grievances were addressed and 14 of them were resolved. Besides, the company resolved three grievances that had been received at the end of 2016. All grievances were resolved within the time period stipulated in grievance

procedure (less than 45 working days).

One grievance was remained unresolved as per the end of 2017. The period of the grievance resolution (February 2018) was agreed with the complainant.

7 grievances were resolved with statements of satisfaction signed by complainants. For other grievances all practical measures have been taken by the company aimed to attain a resolution, however either a complainant did not express his/her opinion regarding the actions taken (four grievances) or a complainant did not agree with the company's explanations (three grievances). These grievances were closed through business integrity committee decision, in accordance with the grievance procedure.

As a regular practice, the company has kept monitoring and analysing the level of complainants' satisfaction with the grievance resolution and with the process of addressing the grievance.

4.3 Grievance procedure within the frame of Sakhalin indigenous minorities development plan

In 2017 partners of the plan continued to inform community about SIMDP grievance procedure (under the public meetings, during individual consultations, etc.). Besides, the information on grievance procedure is available in all communities of traditional indigenous residence and IP traditional economic activities (information materials about the grievance procedure were placed on the information boards and also available in non-governmental organisations, libraries, on website of the programme).

In 2017 two grievances were submitted as part of the SIMDP grievance procedure. As of end of 2017 one grievance was resolved and complainant signed the statement of satisfaction. The second grievance is under consideration.

These grievances were reviewed by members of the SIMDP grievance team according to the SIMDP grievance procedure. The status and results of these grievances resolving were controlled by the SIMDP Governing Board and the SIMDP external monitor.

APPENDIX 1 COMMUNITIES, NGOS AND OTHER STAKEHOLDERS

Local and RFE	National	Regional	International
<ul style="list-style-type: none"> • Sakhalin Environment Watch • Sakhalin Fishing Associations and co-operatives • Russian Geographical Society • Marine Rescue Centre • Rodnik Environmental Centre • Sakhalin State University • Institute of Education Development of Sakhalin Region • Sakhalin Branch of Russian Union of Journalists • Club Boomerang • Sakhalin Regional Centre for Additional Education • Centre of National Culture • Sakhalin Regional Art Museum • Sakhalin Oblast Library • Yuzhno-Sakhalinsk City Library • Centre for rehabilitation of disabled children “Preodolenie” • Sakhalin Community (for more details see Table 2) • Association of Indigenous People 	<ul style="list-style-type: none"> • WWF – Russia • IFAW-Russia • Greenpeace – Russia • IUCN • Association of indigenous minorities people of the North, Siberia and the Far East • National Forum on Corporate Social Responsibility • Non-commercial partnership “CSR – Russian Centre” • Association of Managers • CSR Centre of PriceWaterHouse Cooper • Association of Grant making organisations “Donors’ Forum” • Sustainable 	<ul style="list-style-type: none"> • Consulate General of Japan • Hokkaido Government • Mombetsu City • Rumoi Subprefectural Bureau of Hokkaido Government • Fisheries Agency of Japan • Hokkaido Bureau of Economy, Trade and Industry • Hokkaido Legislative Assembly • Japan Coast Guard – Headquarters (Tokyo) and Regional Headquarters • Hokkaido Fisheries Environmental Centre • Hokkaido fisheries cooperative associations (Wakkanai, Sarufutu, Esashi, Abashiri, Kitarumoi, Otarushi, Tokoro, Yuubetsu, Oumu, Ishikariwan, etc.) • Japan Environment Disaster Information Centre 	<ul style="list-style-type: none"> • WWF International • Pacific Environment • International Bird Rescue Research Centre • International Bird Rescue Research Centre • UNDP • UN Global Compact • UN LEAD

Local and RFE	National	Regional	International
<ul style="list-style-type: none"> • Veterans Societies • Knowledge is Power (Initiative group) • Korsakov Rotary Club • Sakhalin Regional Museum • Museum of Chekhov' book "Sakhalin Island" • Sakhalin Puppet Theatre • Sakhalin NGO "Frantirer" • Sakhalin sport associations and federations • Local schools and kindergartens in Sakhalin communities • Sakhalin Regional Tourism NGO "Adrenalin" • Sakhalin regional and municipal disabled societies • Sakhalin Regional NGO "Motherland" • Regional council of Sakhalin IP authorised representatives • Tribal enterprises, family farms, communes or other Sakhalin IP communities • Municipal museums and libraries in Nogliki, Okha, Tymovsk, Poronaisk, Makarov, Alexandrovsk-Sakhalinsk, Korsakov, Kholmsk, Aniva Smirnykh districts • NGO "Centre of preservation and development of traditional culture "KykhKykh" ("Swan")" • Khabarovsk IP Association 	<ul style="list-style-type: none"> Development Foundation • Managers Association of Russia • National council on corporate volunteering • "Gladway" foundation • Centre of communications development of fuel and energy complex • Association of Directors of Communications and Corporate Media of Russia • Foundation for Presidential Grants • Association of specialists in the pricing of projects and programmes • • Centre of Social Technologies "Garant" • Centre for Support of Public Initiatives • State Russian 	<ul style="list-style-type: none"> • Hokkaido University • IFAW – Japan • WWF Japan • Wildlife Preservation Bureau of Hokkaido • Hokkaido Raptores Research • Wild Bird Society of Japan • Okhotsk Environmental Protection Network 	

Local and RFE	National	Regional	International
<ul style="list-style-type: none"> • Information centre “Latch” (Petropavlovsk-Kamchatskiy) • Local non-government Okha IP organisation • Local non-government Poronaisk IP organisation • Ethnic and cultural centre “People Ykh myth” • Non-government organisation “Association of Sakhalin museums” • Municipal administrations in the areas of traditional residence of Sakhalin indigenous peoples • Sakhalin regional centre of folk art • Association of Sakhalin oblast museums • Sakhalin regional non-governmental organization “Horse riding club “Gold Mustang” • Yuzno-Sakhalinsk secondary technical educational institutions • Regional non-government organization quilt studio “Patchwork island” • Regional Social Movement (RSM) “Union of Indigenous Peoples of Sakhalin” • Sakhalin regional public organisation “Council of Indigenous Peoples of the North” • Sakhalin regional public organisation “Union of the Nanais, Uilta and Evenis” 	<p>Museum</p> <ul style="list-style-type: none"> • ASI • Union of IP communities of the North, Siberia and the Far East • Institute of indigenous people of North named after A.I. Gertsen (Saint-Petersburg) • Federal State Institution of Science of the Order of Friendship of Peoples Ethnology and Anthropology Institute named NN Miklukho-Maclay • Russian Union of Industrialists and Entrepreneurs 		

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 ORGANISATION'S CONTACT	DISTRICT NEWSPAPER
Nogliki	Val	Gas transfer terminal Boatasino, pipeline	Nogliki, district library, 5a Pogranichnaya St., Tel. +7 42444 91057	294208	Znamya Truda
	Venskoye	Pipeline			
	Nogliki	Pipeline, pipeline maintenance depot (PMD)			
	Nysh	OPF (apart of 70 km from the community)			
Tymovsky	Voskresenovka	Pipeline	Tymovskoye, district library, 68a Kirovskaya St., Tel. +7 42447 22478	294208	Tymovsky Vestnik

	Molodezhnoye	Pipeline	Molodezhnoye, library, 14ASovetskaya St.		
	Tymovskoye	Pipeline	Tymovskoye, district library, 68a Kirovskaya St., Tel. +7 42447 22478		
	Voskhod	Pipeline	Tymovskoye, district library, 68a Kirovskaya St., Tel. +7 42447 22478		
	Podgornoe	Pipeline	Tymovskoye, district library, 68a Kirovskaya St., Tel. +7 42447 22478		
	Kirovskoye	Pipeline	Kirovskoye, Library, 70 Centralnaya St.		
	Yasnoye	Pipeline, PMD	Yasnoye, library, 2 Titova St.		
	Palevo	Pipeline	Yasnoye, library, 2 Titova St.		
Smirnykh	Onor	Pipeline	Onor, library, 5 Sovetskaya St.	294208	Novaya Zhizn
	Roschino	Pipeline	Roschino, library, 4 Komsomolskaya St.		

	Pobedino	Pipeline	Pobedino, library, 60 Centralnaya St.		
	Smirnykh	Pipeline	Smirnykh, district library, 12 Lenin St., Tel. +7 42452 22367		
	Elniki	Pipeline	Smirnykh, district library, 12 Lenin St., Tel. +7 42452 22367		
	Buyukly	Pipeline	Buyukly, library, 1 Kosmonavtov St.		
Poronaisk	Leonidovo	Pipeline	Poronaisk, district library, 45 Gagarina St., Tel. +7 42431 42713	294208 662461	Express Zvezda
	Poronaisk	Pipeline	Poronaisk, district library, 45 Gagarina St., Tel. +7 42431 42713		
	Tikhmenevo	Pipeline	Gastello, library, 42-2, Centralnaya St.		
	Gastello	Booster station, PMD	Gastello, library, 42-2, Centralnaya St.		
	Vostok	Pipeline	Vostok, library, 10a, Gagarina St.		

Makarov	Novoye	Pipeline	Novoye, library, 11-7, Centralnaya St.	662461	Novaya Gazeta
	Gornoye	Pipeline	Novoye, library, 11-7, Centralnaya St.		
	Tumanovo	Pipeline	Novoye, library, 11-7, Centralnaya St.		
	Makarov	Pipeline	Makarov, district library, 9-a 50 Let Oktyabrya St., Tel. +7 42443 53378		
	Vostochny	Pipeline	Vostochny, library, 8, Privokzalnaya St.		
	Pugachevo	Pipeline	Vostochny, library, 8, Privokzalnaya St.		
Dolinsk	Vzmorye	Pipeline	Vzmorye, library, 22, Pionerskaya St.	662461	Dolinskaya Pravda
	Sovetskoye	Pipeline	Sovetskoye, library, 122, Centralnaya St.		
	Dolinsk	Pipeline	Dolinsk, district library, 31 Lenin St., Tel. +7 42442 25284		

	Pokrovka/ Oktyabrskoye/ Sosnovka/ Ruchyi	Pipeline	Dolinsk, district library, 31 Lenin St., Tel. +7 42442 25284		
	Sokol	Pipeline	Sokol, library, 14, Shirokaya St.		
Aniva	Troitskoye	Pipeline	Troitskoye, library, 13, Sovetskaya St.	662461	Utro Rodiny
	Novo- Troitskoye	Pipeline	Troitskoye, library, 13, Sovetskaya St.		
	Mitsulevka	Pipeline	Troitskoye, library, 13, Sovetskaya St.		
Korsakov	Solovyevka	LNG/OET	Korsakov, city youth library, 7 Molodyezhnyi Per.	662461	Voskhod
	Ozersky	LNG/OET	Korsakov, city youth library, 7 Molodyezhnyi Per.		
	Chapaev	LNG/OET	Korsakov, city youth library, 7 Molodyezhnyi Per.		
	Korsakov	LNG/OET	Korsakov, city youth library, 7 Molodyezhnyi Per.		
Kholmsk	Kholmsk	Port	Kholmsk, district library, 124 Sovetskaya St., Tel. +7 42433 50862	662461	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 IP GROUP/ SIMDP COORDINATOR
Okha	Okha	Library, Administration, Local non-government organisation of IP of Okha district	Library, 17 Lenina St	294208 662009
	Nekrasovka	Library, Okha local non-government organisation "Centre on saving and development of the traditional IP culture "Kykhykh" ("Swan"), Regional social movement "Union of Sakhalin IP"	Library, 4 Klubnaya St, ap. 2	
Nogliki	Nogliki	Nogliki municipal regional museum, Administration, regional library	Nogliki municipal regional museum, 60 Sovetskaya St.	294208 662009
	Val	Library, Administration	Library, 23 Shkolnaya St.	
Tymovsk	Tymovskoye	Regional library, Administration	Regional library, 68a Kirovskaya St.	294208 662009
	Chir-Unvd	Library, Administration	Library, 6 Sovetskaya St.	
Aleksandrovsk-Sakhalinsky	Aleksandrovsk-Sakhalinsky	Administration		294208 662009
	Viakhtu	Library, Administration, school	Library, 4 Pochtovaya St	
	Trambaus	Library	2 Morskaya St.	

DISTRICT	COMMUNITY	SIMDP DOCUMENTATION AND INFORMATION MATERIALS	BULLETIN BOARD LOCATION	CONTACT OF COMMUNITY LIASION OFFICER IP GROUP/ SIMDP COORDINATOR
Smirnykh	Smirnykh	Regional library, Administration	Regional library, 12 Lenina St.	294208
	Buyukly	Library	1 Kosmonavtov St.	662009
Poronaisk	Poronaisk	Regional libraries, Administration, Local non-government organisation of IP of Poronaisk district	Regional libraries, 45 Gagarina St.	294208 662009
Yuzhno-Sakhalinsk	Yuzhno-Sakhalinsk	Administration, IP administration of Sakhalin Government		294208 662009

APPENDIX 4 LIST OF EXISTING JAPANESE STAKEHOLDERS ON SAKHALIN ENERGY DATABASE

Japanese stakeholders	
<ul style="list-style-type: none"> • Consulate General of Japan • Hokkaido Government • Souya General Subprefectural Bureau of Hokkaido Government • Okhotsk General Subprefectural Bureau of Hokkaido Government • Rumoi Subprefectural Bureau of Hokkaido Government • Fisheries Agency of Japan • Hokkaido Bureau of Economy, Trade and Industry (METI Branch) • Hokkaido Legislative Assembly • Hokkaido Fisheries Environmental Centre • Hokkaido fisheries cooperative associations (Wakkanai, Sarufutu, Esashi, Abashiri, Kitarumoi, Otarushi, Tokoro, Yubetsu, Oumu, Ishikariwan, etc.) 	<ul style="list-style-type: none"> • Japan Coast Guard – Headquarters (Tokyo) and Regional Headquarters • Japan Environment Disaster Information Centre • Hokkaido University • IFAW – Japan • WWF Japan • Wildlife Preservation Bureau of Hokkaido • Hokkaido Raptors Research • Wild Bird Society of Japan • Okhotsk Environmental Protection Network

APPENDIX 5 LIST OF ABBREVIATIONS

ASI	Agency of social information
CLO	Community liaison officer
CSR	Corporate social responsibility
EIA	Environmental impact assessment
ESHIA	Environmental, social and health impact assessment
FRAEC	Foundation for Russian American economic cooperation
GRI	Global reporting initiative
GTT	Gas transfer terminal
HSE	Health, safety, environment
HSESAP	Health, safety, environment and social action plan
IFAW	International fund for animal welfare
IP	Indigenous people
IUCN	International union for conservation of nature
JCG	Japan coast guards
METI	Ministry of economy, trade and industry
NGO	Non-governmental organisations
OEPN	Okhotsk environment protection net
OSR	Oil spill response
PCDP	Public consultation and disclosure plan
PCDR	Public consultation and disclosure report
RAIPON	Association of indigenous peoples of the North, Siberia and the Far East of RF
RAP	Resettlement action plan
RF	Russian Federation
RFE	Russian Far East
RSPF	Russian union of industrialists and entrepreneurs
SD	Sustainable development
SI	Social investments
SIMDP	Sakhalin indigenous minorities development plan
SPZ	Sanitary protection zone
UN	United Nations
UNDP	United Nations development programme
WGW	Western gray whales
WGWAP	Western gray whales advisory panel
WWF	World wildlife fund