

## Meeting with the Public of the Korsakov District

08 June 2018

Children's Art School  
(14, Sovetskaya Str., Korsakov)

5:00-7:00 p.m.

### Representatives of Sakhalin Energy

1. Natalya Vladimirovna Gonchar, Head of Social Performance
2. Oleg Lyvovich Tkachenko, Head of the Government and Shareholders Affairs
3. Mikhail Ivanovich Shilikovsky, Category 1 Start-Up and Operational Availability Engineer
4. Timur Nailiyevich Gafarov, Deputy Head of LNG Train 3 Construction Project Development
5. Andrey Damirovich Samatov, Head of the Environmental Division
6. Maxim Georgievich Smolin, Deputy Head of the LNG Train 3 Construction Department
7. Larisa Kheydinovna Yamomoto, Head of the Communications, Stakeholder Engagement and Event Management
8. Vladimir Gennadyevich Bespalov, Lead Specialist of the Southern Assets Protection Subdivision
9. Marina Georgievna Ivanchikova, Environmental Engineer at the Prigorodnoye Asset
10. Olesya Rashitovna Romanova, Lead Specialist of the Communications, Stakeholder Engagement and Event Management Subdivision
11. Andrey Sergeevich Klepikov, Head of External and Corporate Affairs Department
12. Elena Olegovna Glavanova, Community Liaison Officer in the Korsakov City District

### Representatives of government authorities

1. Vadim Vadimovich Vanichkin, Deputy Minister of Natural Resources and Environmental Protection of the Sakhalin Oblast
2. Lyudmila Dmitrievna Khmyz, Chairman of the Assembly of the Korsakov City District

### **Public: 16 people**

#### Meeting agenda:

- Prigorodnoye Production Complex;
- LNG Train 3 construction project;
- Information about the state of the environment in the area of the Prigorodnoye Production Complex.
- Q&A

At the beginning of the meeting, N. V. Gonchar conducted a pre-meeting emergency safety briefing. She also pointed out that the agenda included questions asked by the public of the Korsakov District at the meeting on 16 November 2017 (the Minutes of the meeting were posted on the Company's website, and a corresponding announcement was posted on the website of the Korsakov City District Administration).

M. I. Shilikovskiy told the meeting participants about the work of the Prigorodnoye Production Complex in the past six months, and provided information about the completed and planned shutdowns at the production complex.

T. N. Gafarov spoke about the status of the LNG Train 3 Project.

A. D. Samatov provided information about the system of industrial environmental monitoring and local monitoring (air monitoring, control of sewage and ballast water, waste management, monitoring of soil, vegetation, birds, surface water bodies and marine environment) in the area around the Prigorodnoye Production Complex, and presented monitoring results for 2017.

The Company representatives recorded all questions asked during the meeting. Answers to the questions not answered at this meeting will be provided by the Company at the next public meeting, which will be held in Korsakov in November of 2018, as well as at subsequent meetings as soon as relevant information is available.

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
<p>Now we need a new landfill project. Again it will require investments and the allocation of a new territory. This is all because the space in the landfill which was designed, financed, built and commissioned earlier has already run out — 3 times earlier than expected, even though the Company no longer disposes of its waste there, but exports it to Nakhodka instead.</p> <p>Were the Terms of Reference developed with the participation of the Company or were they provided by the Administration as the Customer? If the landfill that cost US\$ 8 million to build was filled 3 times earlier than expected, then the question arises: are these investments effective?</p> <p>The city did not get what it had expected. (E. V. Rashchupkina-Lopukhina)</p>	<p>O. L. Tkachenko: Being an investor, the Company took part in the development of the Terms of Reference. It was at the insistence of the Company that the design of the landfill took into account not only the requirements of the RF legislation, but also the environmental requirements of the European Union legislation.</p> <p>When determining the capacity of the landfill, not only the volume of municipal waste was taken into account, but also the forecast volume of waste generated by the Company. As a result, the amount of waste disposed by the Company in the landfill generally corresponds to the volume it had projected.</p> <p>According to the specified data, the share of the Company's waste is only about 10% of the total volume of waste disposed in the Korsakov SDW landfill.</p> <p>In addition, at the time when the landfill was being designed, there were constraints related to the non-availability of a corresponding land plot. In the Korsakov District, it is extremely difficult to find a land plot suitable for a landfill, which would meet the applicable requirements of the RF legislation.</p> <p>The legislation prescribes certain restrictions, e.g. water protection zones, lands of settlements, forest lands, geological conditions, etc. There is practically no land in the</p>

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
<i>The questions were asked at the meeting on 16 November 2017</i>	Korsakov District that meets all relevant requirements. The land plot where the landfill is now located is, in fact, the only site that meets the requirements of the law.
<p>We do not have any resettlement fund. What about reserving a part of the houses in Korsakov which are to serve as temporary accommodation for 5,000 new employees, so that people will be able to settle there temporarily in case of fire, disasters, etc.?</p> <p>(E. V. Rashchupkina-Lopukhina)</p> <p><i>The question was asked at the meeting on 16 November 2017</i></p>	<p>O. L. Tkachenko: The question is premature, since we do not have these houses yet. If the construction of LNG Train 3 starts, the General Contractor will arrange a construction camp in the first place, and will purchase residential houses for this purpose. We do not know yet what type of houses they will be and who they will be manufactured by. But these are precisely the factors that the future utilisation of these houses depends on.</p>
<p>What is the radius of harmful action in the event of an explosion of the LNG plant or a gas carrier? (situational layout plan)</p> <p>(A. I. Gafner)</p> <p><i>The question was asked at the meeting on 16 November 2017</i></p>	<p>V. G. Bepalov: The situation layout plan is a graphic representation of the development of an accident or disaster, showing the possible impact on the territory around its outbreak.</p> <p>Today, the situational layout plan for our production is available in the Industrial Safety Declaration (ISD).</p> <p>The ISD is a mandatory requirement of the Federal Law On Industrial Safety of Hazardous Production Facilities. The document undergoes an expert review for compliance with applicable legal requirements, and is registered with Rostekhnadzor. The ISD is issued in five copies and is stored with the Sakhalin Oblast Government, the MChS of Russia for the Sakhalin Oblast, and Rostekhnadzor. The document has a restricted access label.</p> <p>The ISD contains a comprehensive assessment of the risks of accidents and associated threats, as well as describes measures for the prevention, containment and elimination of their consequences.</p> <p>In 2017, the Industrial Safety Declaration for the Prigorodnoye Production Complex was revised, passed an expert review, and was approved for use. Accordingly, the situational layout plan was updated, too.</p> <p>It is necessary to foresee all possible situations that may occur at each individual production facility of the plant, e.g. the LNG tanks, the LNG jetty, etc., including the most incredible scenario, the probability of which is as little as <math>10^{-11}</math>. To date, the legislation of the Russian Federation has established the level of acceptable risk for production facilities (that is, the probability of occurrence of a hazard) at <math>10^{-6}</math>.</p>

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
<p>People who use the Aniva Bay say that there are no scallops or laminaria in the bay, and the bottom fauna has changed considerably.</p> <p>We are expecting the construction of the new LNG jetty, new dredging work. Does it mean that we are going to continue killing the flora and fauna there?</p> <p>Will you please comment on the biodiversity situation in the Aniva Bay?</p> <p>(E. V. Rashchupkina-Lopukhina) <i>The question was asked at the meeting on 16 November 2017</i></p>	<p>A. D. Samatov: The use of water bodies and water biological resources in the Russian Federation is regulated. According to scientists, the main factor that has led to the deplorable condition of the Aniva Bay and the Busse Lagoon is uncontrolled, unauthorised and unlicensed fishing, that is, poaching.</p> <p>The study conducted by the Company in the port of Prigorodnoye shows that the state of the water and biological resources has not changed.</p> <p>As for dredging and dumping (<i>Note: during the construction of the Prigorodnoye Production Complex</i>), the community structure, both in the dredging area and in the area of soil dumping, was restored three years later, which was sooner than projected in the Environmental Impact Assessment (EIA), which had passed the RF State Environmental Expert Review.</p> <p>The expectations that dredging and soil dumping (<i>Note: in the case of construction of the second LNG jetty</i>) will lead to disastrous consequences are absolutely groundless.</p> <p>According to the statement by experts of Sakhalin Diving Company, published in the media, the only reason why scallops have remained in the water area of the Prigorodnoye port and nowhere else in the Aniva Bay is that the entry of boats into the water area of the port is prohibited.</p>
<p>Will Korsakov enterprises providing catering services be involved in the construction of Train 3 as before?</p> <p>Will the city areas that were occupied with machinery during the construction of Train 1 and Train 2 be used again?</p> <p>Will trucks and other equipment be based in the territory of the plant this time, or will they be based in the territory of the city, as before?</p> <p>(E. V. Rashchupkina-Lopukhina) <i>The questions were asked at the meeting on 16 November 2017</i></p>	<p>T. N. Gafarov: Before the commencement of construction work, it is necessary to go through a number of coordination and approval stages, and obtain an investment decision on the implementation of the project. At the moment, there is no such decision, so it is premature to talk about this issue. In general, the Company always does everything possible to involve the organisations of the Sakhalin Oblast in its production activities, including for the provision of catering and other services, and cargo transportation.</p>
<p>Could you provide information about which of the comments on the construction of the second LNG jetty, made by the population and representatives of the various</p>	<p>T. N. Gafarov: All the design and coordination procedures were carried out in compliance with the Russian legislation. All questions, suggestions and comments were recorded in the minutes of the public discussions of the design documentation. The questions asked were analysed. Let me</p>

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
<p>groups and specialists at the public hearings and following the environmental assessment, were taken into account, and which of them were rejected and with what explanation?  (E. V. Rashchupkina-Lopukhina)  <i>The question was asked at the meeting on 16 November 2017</i></p>	<p>provide the example of mudrock decompaction, which is possible in the case of technological excavation of soil during hydrotechnical works. Joint work was carried out with the involvement of the design institute and specialised organisations, and confirmation was received that the design solution for these technological operations, incorporated in the design documentation, complied with the standards and requirements of the Russian legislation.</p> <p>N. V. Gonchar: All these comments were received during the public hearings held in late April 2017. Not a single question in written form was received while the documents were available in the libraries.</p>
<p>The presentation mentioned the period 2023–2024. Is it the time of LNG Train 3 work start or the beginning of LNG Train 3 construction?  (A. I. Gafner)</p>	<p>T. N. Gafarov: The period 2023–2024 was approved by the shareholders as the most optimal time for the production of the first LNG from Train 3, taking into account the situation in the LNG market in the Asia-Pacific Region.</p> <p>The dates of the commencement of LNG Train 3 construction or operation can only be announced after a final investment decision is made. (Note: <i>the factor of the “optimal window” for the first LNG produced by Train 3 — mid-2023 – mid-2024 — will be taken into account when making an investment decision</i>).</p>
<p>What is the reduction of emissions compared to the figures for 2013 due to?  (A. I. Gafner)</p>	<p>A. D. Samatov: The indicator of 4.73 thousand tonnes is the actual amount of emissions; at the moment, the actual amount of emissions is 4.17 thousand tonnes. The indicator of 10.90 thousand tonnes is the standard assigned to us by the state supervisory bodies in 2013.</p>
<p>In 1995, there were individual river pearl clams in the Mereya River, which could produce river pearls. Before the construction of the plant, the environmental group and I tried to communicate to the authorities in Moscow that it would be profitable to preserve this species, which is, moreover, listed in the Red Book. What is the status of these clams in the Mereya River today?  (S. A. Khrushcheva)</p>	<p>A. D. Samatov: A baseline survey includes the examination of the whole watercourse — from the mouth to the riverhead. The Company carries out monitoring only in the area where the pipeline route crosses the water body. In the area under the Company’s control, the river pearl clams were not found there in the past, neither can they be found there now. As regards the current situation in the whole water body, we do not have corresponding data. We only have control over the production area and the potential impact zone.</p>
<p>The newspaper wrote that a different technology of processing household waste will be used from the beginning of the New Year.</p>	<p>A. D. Samatov: The Company is ready to engage in separate waste collection, but it is impossible unless there are special facilities to transfer waste to for further processing. The</p>

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
<p>What exactly does it mean for Prigorodnoye? What does “intensive way” mean — new land plots for landfills again? Or building new waste processing plants? Are you cooperating with the region’s administration in this area? Will there be a single operator? (Yu. G. Yanitsky)</p>	<p>Prigorodnoye Production Complex is ready to sort waste and materials, and hand them over separately for recycling. V. V. Vanichkin: In 2014–2015, the Russian legislation on solid domestic waste management was revised and improved. From then on, it is forbidden to bury waste. Waste has to be collected, sorted, and stored until it is necessary and possible to recycle it. In this regard, the planning of future landfills in the Sakhalin Oblast is now carried out in accordance with the territorial layout scheme (it was developed and approved in September 2016) as required by the legislation of the Russian Federation. Based on this territorial layout scheme, a regional operator was selected in February of this year, which will develop designs for all waste disposal sites. At present, it is planned to build integrated facilities in the territory of the Sakhalin Oblast, which will consist of waste sorting and waste management stations, where waste will be separated and sent for recycling or, if necessary, destroyed using various thermal methods. In the future, there should be no facilities for the accumulation and disposal of waste in the Russian Federation, and in the Sakhalin Oblast in particular. Sakhalin Energy is a waste generator, that is, the Company generates waste, but waste disposal will be carried out by a dedicated regional organisation.</p>
<p>How much will LNG volumes increase with the introduction of Train 3? (Yu. G. Yanitsky)</p>	<p>T. N. Gafarov: In the event that a final decision is made to build LNG Train 3, we will apply the previously adopted process solutions. We currently have two LNG trains; they both have equal capacity, which means that the capacity of LNG Train 3 will amount to 50% of the total existing capacity. The capacity of one existing production train is 4.8 million tonnes of LNG per year.</p>
<p>The Company holds meetings with the population twice a year, but they are always attended by the same number of residents. One gets an impression that the residents of Korsakov do not care about what is going on at the plant, what is being built there, and what operations it will engage in the nearest future. Only a certain circle of persons whose interests are affected by the activities of the production complex attend these</p>	<p>N. V. Gonchar thanked for the comment and suggested thinking together of possible mechanisms for encouraging the population to attend the meetings.</p>

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
<p>meetings. This complaint is not addressed to the Company; it concerns the passive attitude of our population. We both need to think about how to engage people. (Yu. G. Yanitsky)</p>	
<p>Every time at your meetings, we are told that the plant's operations do not have adverse effect on vegetation, soil, water, air, and animals. We get an impression that the construction of such facilities and emissions into the atmosphere are beneficial. What will we leave for future generations?! I do not know. Why don't you admit that the work of the production complex has an impact on the environment? Previously, there were loads of scallops here, but now they are nowhere to be seen. (Yu. G. Yanitsky)</p>	<p>A. D. Samatov: We have never said that the operations of the production complex have no environmental impact; we say that the impact does not exceed the established standards. And we disclose both the values of the standards and the actual level of impact.</p> <p>When we say that there are no changes in the structure of the communities and the state of the protected species, it means that people can go and see them with their own eyes, and make sure that the protected species still grow as before. Experts have made field trips, counted the number of bird individuals, and confirmed that the number of birds has not changed, while the number of the Japanese snipe population, for example, has increased.</p> <p>As for the Aniva Bay, scientists believe (and their opinion has been recognised by the authorities) that the main factor that has led to the current situation is uncontrolled fishing. I have also lived on Sakhalin for a long time, and I remember the situation in the Busse Lagoon in the past. Now, however, there are practically no shrimps, scallops or oysters left.</p>
<p>You are right: it is not the plant's fault that all these species have disappeared. The Chinese come to Korsakov and take the trepang to China. The FSB provides a green channel for them. Regrettably, laws do not work where we live. My question is addressed to V. V. Vanichkin. A new garbage collection company was established, public hearings were held. After some time, I read in the newspaper that another company — Novy Gorod (New City) — presented its project, and the governor supported it. We have already been presented a</p>	<p>V. V. Vanichkin: All companies that have applied for participation in the tenders under the projects, and also others that are yet to apply, will participate in them. There is a regional operator that will control everything connected with this issue in the region, and there will be management companies that will deal with the specific volumes of waste they have been allocated.</p> <p>Today, finding a plot of land for the construction of any facility in the Korsakov District is a big problem. Therefore, if there appears an investor today who can build a facility that meets the requirements and who has a definite land plot in mind, we support them.</p>

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
project and discussed it. Which of them will win the tender? (B. A. Osadets)	
You said that the landfill had been filled three times earlier than planned. And now 5 hectares have been allocated for another landfill. Is it planned to build a reception point for sorted waste? (B. A. Osadets)	<p>V. V. Vanichkin: All questions regarding landfills can be addressed to the Ministry of Natural Resources. Previously, waste was buried. Now it is forbidden to bury waste, so it will be disposed of through incineration or will be recycled. The landfill is just a transshipment station. It will work according to the following scheme: a certain amount of waste is received; then it is recycled appropriately and the site is cleared; the following amount is recycled. That is, waste will not be accumulated there on a permanent basis. Time will come when we will have a landfill with an area of only 2 hectares. But first we need to find a way to dispose of all the garbage we have accumulated in 70 years.</p> <p>The layout scheme provides for, among other things, the creation of a reception point, but this requires funding. Once the financial issues are resolved, we will close this problem.</p>
Are there any statistics on the rate of cancer-related diseases among LNG plant employees and Korsakov residents? Where is the rate higher? (Yu. G. Yanitsky)	<p>V. V. Vanichkin: At present, it is difficult to say which group of people has a higher rate of cancer, because the diagnostics of this disease has changed. We do see a statistical surge today. But it does not mean that the number of people who are sick or die has increased. The surge is due to the fact that statistics include data from other sources. We need at least 5 years to draw a conclusion about the dynamics of this process. 5 years from now, we will be able to speak about the dynamics for certain groups of population, enterprises, institutions, districts of the region, etc.</p>
What assistance will be provided for the gasification of Korsakov and its central boiler house? Will the plant allocate a certain amount of gas or will everything be sold? (Yu. G. Yanitsky)	<p>V. V. Vanichkin: The LNG plant and the Sakhalin-2 Project will not be directly involved in the gasification of the Korsakov District and the boiler house. The gas supply will be consolidated: it will partially include gas from the projects, but mainly it will be gas from the Aniva fields. The implementation of the district boiler house gasification project is scheduled for 2019.</p> <p>The amount of gas will be determined proceeding from the needs of the city.</p>
Gazprom and Sakhalin Energy sell products, earn profits, and pay taxes to the budget of the region, bypassing Korsakov. Since the LNG plant is located in the Korsakov District, why not create a single social development fund for	<p>V. V. Vanichkin: The Russian Federation has a Budget Code, and it clearly defines how to form the items of expenditure in any budgets of all levels, including municipal ones. The main approach is developing a programme. This means that any authority that wants to finance any activities has to develop a programme. Then it is necessary to find a source of funding for this programme, and the programme is</p>



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<p>the Korsakov City District jointly by the Company’s management and Korsakov administration? In this case, funds will go not only to the regional budget, but also directly to the budget of the Korsakov District. (M. Petrenko)</p>	<p>appropriately filled. This question should be addressed to the district administration rather than Sakhalin Energy. The mayor and the City Assembly of the Korsakov District are working on these issues. I hope that corresponding programmes will be developed in the near future and filled, as well as the city development fund, in the appropriate cycle of budget planning. N. V. Gonchar: All data on the allocation of funds to the regional and federal budgets are reflected in the Company’s Sustainable Development Report. The Report is available on the Company’s website, as well as in our office in Korsakov.</p>
<p>In civilised countries, there is the following practice: funds are primarily allocated to the budget of the host district, next to the regional, and only then to the federal budget. That is why there is paradise on the land where the company is located. Today, funds deducted to these budgets are divided among all, and what we get is mostly problems. The quality of life in Korsakov has not improved with the inception of the Company. I have said many times already that we need to create a fund. We do not get what we are entitled to! Korsakov should be a prosperous city! (B. A. Osadets)</p>	<p>L. Kh. Yamamoto: At the end of 2017, the Company transferred US\$ 918 million to the budget of the Sakhalin Oblast. V. V. Vanichkin: The Company does not allocate the budget. O. L. Tkachenko: Korsakov is located in the Sakhalin Oblast. It is not a separate subject. The Company’s production assets are located outside the Korsakov District. We operate in nine districts of the region. As for the platforms, they are located in the territorial sea of the Russian Federation [rather than on Sakhalin].</p>
<p>Your production facility is located in the vicinity of a recreation area of Korsakov District residents (the beach). Perhaps you should suggest that the administration and the City Assembly together with the Company address the issue of arranging a beach elsewhere in the Korsakov District? (L. D. Khmyz)</p>	<p>O. L. Tkachenko: Many people have forgotten what the terrain in the vicinity of Prigorodnoye looked like. The place you call “the beach” is still there. Every year, people go there and swim when the weather is fine. As for the area where the plant is located, there were only several small houses in it, and practically no one bathed there.  A. D. Samatov: Some person from the audience said that one cannot swim there. As regards the condition and quality of sea water, it is clean and perfectly suitable for swimming. The reason why it is forbidden to swim there is that it is the water area of the port, that is, the restrictions are of a completely different character.</p>

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
	<p>N. V. Gonchar: Indeed, the Company appropriated a part of the coastal territory to build the Prigorodnoye Production Complex. Those who have lived in the district for a long time remember that the Company compensated the community for this appropriation of the territory. The compensation amounted to more than US\$ 900 thousand. We organised a public survey in Korsakov and asked respondents what they would like this money to be used for. There were different suggestions. The majority (more than 700 people) voted for spending this money on the reconstruction of the park.</p> <p>As for the territory which is now used as a beach, the width of the coastal area is not sufficient to improve the beach and provide all necessary amenities. There was a time when the administration put up notices "Swimming is prohibited" there.</p> <p>O. L. Tkachenko: In the area where the port of Prigorodnoye is situated now, there was a border checkpoint, a border tower, and a barrier gate until the end of the 1980s, and no one ever swam there. Everybody bathed in the very place they bathe these days. There has never been any beach on the site of the Prigorodnoye port. It is possible that the area was open for a short period, when the border guards had left and the construction of the plant had not yet begun.</p>
<p>When I was in San Francisco (USA), environmentalists took us to see various sites. Once on our way there, I saw small pipes in the distance. I was told that it was an LNG plant. When I requested to have a closer look at the plant, I was told that it was impossible, since it was a restricted area. The plant was much smaller than ours. In contrast, we even have a beach with children bathing next to such a facility, and tourists are brought for a tour of the plant.</p> <p>(A. I. Gafner)</p>	<p>V. V. Vanichkin: Our LNG plant is a competitor to American LNG plants. They can't wait to see it closed.</p> <p>M. I. Shilikovsky: In the USA, there was only one LNG plant, built in 1949 — in Alaska. Only a year and a half ago, they opened another LNG plant. What you saw was probably a re-gasification terminal. As for LNG plants, there is none in that area.</p>
<p>From today's conversation, I gather that a sort of dump was arranged at the plant, now the place is overfilled and will possibly be covered with earth. The fact is that before the construction of the plant, there had been field</p>	<p>N. V. Gonchar: You are talking about the municipal solid domestic waste landfill. The Company does not have its own landfill.</p>

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
<p>mushrooms growing in the southern part of Sakhalin, where the Prigorodnoye Production Complex is now located. The scientific name of this mushroom species is <i>Catathelasma ventricosum</i>. It grows only on Sakhalin — it is our local endemic species. What I mean to say is that city environmentalists and journalists would be very grateful if the plant allocated the territory of the dump covered with earth for the preservation of this species or some other local trees. (S. A. Khrushcheva)</p>	
<p>In connection with the construction of LNG Train 3, I turned to Sakhalin Energy with a request to pay attention to the Gardeners' Partnership. The production will be increased, accordingly, the sanitary protection zone (SPZ) should be extended, too. I sent appeals to various authorities. Sakhalin Energy refused to grant my request. I would like to draw your attention to how the Company responds to my letters. I write a question about the LNG Train 3 construction, and the Company responds that the SPZ was established by the Chief Sanitary Officer of Russia, that all summer cottage owners received compensation and the Company has fulfilled all of its obligations. Nothing but template phrases. And only at the end of the letter, there were three lines about LNG Train 3 saying that an environmental assessment was conducted on 28 February, and that the SPZ was established at a</p>	

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
<p>distance of one kilometre from the place of emissions. I wrote appeals to Rospotrebnadzor and the Ministry of Natural Resources. And what do you think I found out? For 13 years, the Company together with Rospotrebnadzor developed a programme for industrial environmental monitoring of atmospheric air, soil, water, water bodies, and harmful physical factors in the territory adjacent to the plant and Stroitel Gardeners' Non-Commercial Partnership. I must say that no studies whatsoever have ever been conducted. None. They monitor the air once a month from May to October. But no soil sampling is carried out, no water bodies are checked. I sent requests to Sakhalin Energy, Rospotrebnadzor, and the Ministry of Natural Resources to provide the results of monitoring. Rospotrebnadzor responded that no studies were conducted in 2010; they were conducted only in 2011. I requested for the results of studies conducted in 2011, and they reply that studies were conducted in 2014. I requested for the results of studies for 2014, and received a report of our Korsakov branch, which had conducted the studies, stating that only air samples were taken in 2011 and in 2014. Once in four years. But that is not all. They took samples, indicated the time and date of sampling — 14 November 2014, and the date and time of receipt — 4 November 2014. Do you see what I mean? Yes, you did conduct studies outside the plant</p>	

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
<p>territory — a kilometre, maybe 500 metres or two kilometres beyond the territory of the plant, but definitely not in the territory of Stroitel GNCP. When the agricultural institute conducted its studies in 2011, A. D. Samatov issued a certificate about the findings. The certificate said that air samples were taken 4 times a month. Were they? Did you ever take samples 4 times during one month? Why write a lie? It is also written in the certificate that the content of benzo(a)pyrene exceeds the limit by 40%. When you were making the report here, you said: “Maximum permissible concentration (MPC) for benz(a)pyrene”. There is no MPC for benz(a)pyrene. The certificate also says that benz(a)pyrene is found in fish, meat, sausage and nuts.</p> <p>I am interested in Stroitel GNCP. Where exactly did you take samples of soil and water?</p> <p>And why did we discover the excess of pollutant concentrations substances in the soil in 2011?</p> <p>We together with the agricultural institute took soil samples from all plots — those used by people for gardening and abandoned ones.</p>	<p>A. D. Samatov: The layout plan with the locations of the stations was presented on the screen. The points are located on the border of the SPZ and on the border of Stroitel GNCP. The soil sampling points are located both before the Gardeners’ Partnership and beyond it.</p> <p>We cannot control the situation in the territory of the partnership, because you are engaged in your economic activities there. We do not know what you do there, and what factors can influence the state of the soils. You dig them up, apply fertilisers. We cannot be responsible for what you put into the earth.</p> <p>After your inquiries, we write responses to six monitoring bodies, including the prosecution authorities, Rosprirodnadzor, Rospotrebnadzor, and the Sakhalin Oblast Ministry of Natural Resources. And I attach the reports on the studies and the conclusions of experts.</p> <p>When the boundary of the sanitary protection zone was being confirmed, the studies were carried out on a weekly basis. And I insist again that the studies were carried out weekly and the MPC was never exceeded, not once. This is why the sanitary doctor established this boundary, based on these findings. Now we are showing you the results of the studies conducted in 2017 on the border with the SPZ.</p> <p>The slide shows “P-1” — this is Stroitel GNCP. You see the content of pollutants directly in your summer cottage land plots during the year. This is the monitoring we conduct every year. And every year we show you the figures. Let me repeat again: we are not obliged to control the situation with the soils in your partnership. We control the environmental situation as regards both the soils and vegetation. We did not find that actual indicators exceeded the maximum permissible concentration of pollutants in the soils either before or beyond the gardeners’ land plots.</p> <p>I do not know how you could find something in your gardeners’ land plots. Experts commented on your conclusion. The following year, we specially analysed the content of the snow, because you assumed that pollutants accumulated in it and then, when the snow melted, they got into the soil. The concentration of pollutants did not exceed the MPC, either. Why don’t you stop burning grass, garbage, and doing other things that cause the generation of benz(a)pyrene.</p>

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
<p>We did everything the way it should be done. In answer to everyone's questions you say that you take samples of soil and water. But in fact you do not. And why are you making notes now?</p> <p>You don't need to do anything any more! Everything will be done by representatives of Rospotrebnadzor, and we are suing you. (A. I. Gafner)</p>	<p>N. V. Gonchar: You are talking about different things. Air quality measurements are taken from May to October. This is a separate programme for Stroitel GNCP, which provides only for air and noise measurements. Andrey Damirovich is talking about the industrial environmental monitoring programme, which includes quite different points.</p> <p>A. D. Samatov: Actually, we are not obliged to control the state of atmospheric air in the territory of Stroitel GNCP. Besides us, there are a number of other state supervisory bodies and services working in this region. In addition, the Sakhalin Administration for Hydrometeorology and Environmental Monitoring collects information about the quality of atmospheric air, and publishes reports on the state of the environment.</p>
<p>I repeatedly made requests to the Company for a meeting with R. Yu. Dashkov as the Chief Executive Officer and R. Hickman as the Company's Finance Director, but I was denied this. Then we asked to organise a meeting with them as members of the Supervisory Board. But the Company employees do everything possible not to let us meet with Dashkov and Hickman. We had no other choice but to meet with A. S. Klepikov, Head of the External and Corporate Affairs Department. I really liked this meeting; it was very constructive. I received competently drawn-up and very truthful minutes of the meeting. All the issues that we raised during the meeting were described in the document. As for a meeting with the members of the Supervisory Board, it was never organised, just as we had predicted. I had a meeting with V. G. Shcherbina, though. I made</p>	

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
<p>a conclusion that the Supervisory Board members knew nothing about our grief. The meeting was attended by V. V. Vanichkin, our mayor. I transferred all the documents to the representatives of the State Duma, who then handed them over to the General Prosecutor's Office. The General Prosecutor's Office, in turn, drew up a plan of what needed to be done by Rospotrebnadzor, Sakhalin Energy, and the Ministry of Natural Resources. Sampling will be carried out any time soon, but I suspect that Sakhalin Energy will interfere in it. Then we'll see the real picture. And after that we will transfer the documents to the court, because we have no other way out.</p> <p>(A. I. Gafner)</p>	
<p>My question regards the water in the Aniva Bay, in Prigorodnoye. Tankers enter the bay and discharge ballast water into it. Surely this affects the environment in a certain way?</p> <p>(M. Petrenko)</p>	<p>A. D. Samatov: In accordance with the ballast water management procedure, they are obliged to replace the ballast water in the open sea. Let me explain this. When the vessel leaves the donor port, they pump in the water available in the port. We believe that the water is not quite clean and may contain invasive species. Therefore, according to our procedure, this water must be completely replaced with clean sea water at least 20 nautical miles from the shore, at a depth of at least 200 metres. That is, there are specially designated water areas, marked for all tanker captains, and they discharge the ballast water, originally taken in in the port, pump clean sea water into the water tanks, and then the vessel comes into the port with clean ballast water.</p> <p>Moreover, the water quality and invasive species that can potentially be brought to us are monitored in the port through the study of water-logs confirming the replacement of ballast water, hydrochemical indicators. In other words, we determine if it is really clean sea water. In addition, we select samples of plankton and analyse them for species composition in order to be able to somehow improve the situation later, and to make additional comments to ship</p>

<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
	owners. We developed this procedure in 2009 and have implemented it ever since. The Russian Federation has joined this international convention ( <i>Note: The International Convention for the Control and Management of Ships' Ballast Water and Sediments (Ballast Water Management Convention) 2004</i> ) in 2012. Since 2017, the Convention has been binding on all carriers and everyone who handles ballast water and bottom sediments.
<p>Let me thank you for the qualified and professional answers. You have done a great job.</p> <p>In general, everything is clear. If I do not understand something, I stay out of it. But I must interfere in your representative being on the Supervisory Board, as well as V. G. Shcherbina and O. N. Kozhemyako. But they come from outside of Sakhalin, and, therefore, they do not know anything about Stroitel GNCP, about us. We want to be friends with you. Tell your management that the population have grievances. And we face LNG Train 3 construction. But we are not going to put up with it for a long time. The construction will begin, and the roads will be ruined. And we will respond to this; we know how to raise issues, too.</p> <p>We want the Korsakov development fund to be created so that funds will be transferred to it, and we ourselves will decide how to distribute them.</p> <p>(B. A. Osadets)</p>	<p>N. V. Gonchar: Indeed, we prepare for each meeting, look forward to questions, and, of course, we pass them on to the management.</p>
<p>A Company representative is on the Supervisory Board. We request to raise the issue of budget allocation for the resettlement of Stroitel GNCP cottage residents at the next meeting of the Supervisory Board.</p>	



<b>Questions</b> (in the wording used by the speakers)	<b>Answers</b>
(M. Petrenko)	
Well, I suggest that such meetings be held in the future, despite the fact that they are usually quite difficult. Criticism is always beneficial, for both parties. (Yu. G. Yanitsky)	
The only thing I am worried about is that such meetings are attended by fewer and fewer people. (A. I. Gafner)	N. V. Gonchar: We share the concern voiced by Alla Ivanovna and Yury Grigorievich. Of course, we need to take some measures. We hope that the deputy corps in the person of Lyudmila Dmitrievna will help us. It is in our best interests to attract as many people as possible to such meetings.

At the end of the meeting, N. V. Gonchar reminded the participants that the next meeting will be held in November this year; she told the attendees about the work of the Company's Community Liaison Specialist in Korsakov, and about the possibility of organising focal meetings with the Company's specialists on issues of interest.