

APPENDIX



Appendix 1. GRI Standards Compliance Table

For explanation of the material topics and their boundaries, see Section 2.

General Standard Disclosures

GRI index	GRI disclosure	Report section and/or comments or references to other sources	Page in the Report	UN Sustainable Development Goals
1. Organisational Profile				
102-1	Name of the organisation	About the Company	38	
102-2	Primary brands, products, and services	About the Company	47-49	
102-3	Location of organisation's headquarters	http://www.sakhalinenergy.ru/ru/contactus.asp	On the outside rear cover	
102-4	Number of countries where the organisation operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	About the Company	38-49	
102-5	Nature of ownership and legal form	Corporate Governance	54	
102-6	Markets where the organisation operates	About the Company	38, 47-49	
102-7	Scale of the organisation	About the Company Economic Impact Management Personnel: Management and Development	38-47 80-82 115	
102-8	Total number of employees by employment type, gender, employment contract and region	General Information	115-116	8
102-9	Organisation's supply chain	Supply Chain Management	83-84	8 12
102-10	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	<i>No significant changes in 2018</i>		
102-11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Sakhalin Energy's CSR System Sustainable Development Policy Risk Management System Impact Assessment	21 23 57 34-35	3 6-8 11-16
102-12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	Performance Standards	22	3 6-8 11-16

GRI index	GRI disclosure	Report section and/or comments or references to other sources	Page in the Report	UN Sustainable Development Goals
102-13	Memberships of associations (such as industry associations) and national or international advocacy organisations	Performance Standards <i>International and Regional Cooperation</i> <i>In November 2009, the company joined the UN Global Compact.</i> <i>In 2018, the company is a member of:</i> - <i>Global Compact LEAD;</i> - <i>International Business Congress;</i> - <i>RUIE;</i> - <i>Donors Forum;</i> - <i>Association "Association of organisations performing engineering surveys in the gas and oil industry "Engineer-Surveyor";</i> - <i>Self-regulatory organisation "Association of organizations performing design work in the gas and oil industry "Design Engineer";</i> - <i>Society of Petroleum Engineers SPE</i>	22 75-77	
2. Strategy				
102-14	Statement from the most senior decision-maker of the organisation	Message from the Chairman of the Committee of Executive Directors and the Chief Executive Officer	7-8	
102-15	Description of key impacts, risks, and opportunities	Message from the Chairman of the Committee of Executive Directors and the Chief Executive Officer Risk Management System HSE and Social Performance Management Economic Impact Management Environmental Impact Management Social Impact Management 2019 Plans and Development Strategy up to 2023	7-8 57-59 32-35 80-82 88-111 114-157 160-161	1-16
3. Ethics and Integrity				
102-16	Organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Corporate Social Responsibility and Sustainable Development Corporate Governance	20-31 60-63	16
102-17	Internal and external mechanisms for advice and concerns about ethics and matters related to lack of integrity in the organisation	Corporate Governance System and Structure Corporate Culture Stakeholder Engagement Management Human Rights	53 60-61 66-67	16
4. Governance				
102-18	Governance structure of the organisation, including committees of the highest governance body	Corporate Governance Model	54-56	
102-20	Executive-level position or positions with responsibility for economic, environmental and social topics	Corporate Governance Model	54-56	
102-21	Consulting stakeholders on economic, environmental, and social topics	Impact Assessment Sakhalin Energy's CSR System Stakeholder Engagement Management <i>Use the link specified in Appendix 4. Public Consultation and Disclosure Report - 2018.</i>	34-35 21 66-77	16
102-22	Composition of the highest governance body and its committees	Corporate Governance Model	54-56	5 16
102-23	Whether the Chair of the highest governance body is also an executive officer	<i>The chairperson of the highest governance body is not an executive officer</i>		16

GRI index	GRI disclosure	Report section and/or comments or references to other sources	Page in the Report	UN Sustainable Development Goals
102-26	Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	Corporate Social Responsibility and Sustainable Development Corporate Governance	21 52-56	
102-30	Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics	Risk Management System	57-59	
102-32	Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material Aspects are covered	About the Report	11	
5. Stakeholder Engagement				
102-40	List of stakeholder groups engaged	About the Report Stakeholder Engagement Management	12 66	12 16
102-42	Basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement Management	66	12 16
102-43	Organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the Report preparation process	About the Report Stakeholder Engagement Management	66-67	12 16
102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Stakeholder groups that raised each of the key topics and concerns	About the Report Stakeholder Engagement Management Grievance Handling in 2018 Appendix 2 <i>Use the link specified in Appendix 4. Public Consultation and Disclosure Report - 2018</i>	12-16 66-74 146-147 175-179	12 16
6. Reporting Practice				
102-45	Entities included in the organisation's consolidated financial statements or equivalent documents	About the Report Economic Impact Management	17 80	12 16
102-46	Process for defining the Report content and the Aspect Boundaries. Reporting Principles for Defining Report Content	About the Report	11-16	12 16
102-47	List of all the material Aspects identified in the process for defining the Report content	About the Report	13t-16	12 16
103-1	Material topic and its boundary	About the Report	15-17	12 16
102-48	Restatements of information provided in previous reports, and the reasons for such restatements	<i>No restatements of information</i>		12 16
102-49	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	<i>No significant changes in the scope and aspect boundaries</i>		12 16
102-50	Reporting period (such as fiscal or calendar year) for information provided	2018		12 16

GRI index	GRI disclosure	Report section and/or comments or references to other sources	Page in the Report	UN Sustainable Development Goals
102-51	Date of most recent previous report (if any)	<i>April 2018</i>		12 16
102-52	Reporting cycle (such as annual, biennial)	About the Report <i>Annual</i>	10	12 16
102-53	Contact point for questions regarding the Report or its contents	Appendices 5-6	183-186	12 16
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	11	12 16
102-55	GRI Content Index. Reference to the External Assurance Report	This Appendix Appendices 7-8	164-174 189-192	12 16
102-56	Organisation's policy and current practice with regard to seeking external assurance for the Report	About the Report	17	12 16

Specific Standard Disclosures

GRI index	GRI disclosure	Report section and/or comments or references to other sources	Page in the Report	UN Sustainable Development Goals
Category: Economic				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	About the Company Economic Impact Management Remuneration and Bonus System Grievance Handling in 2018 Social Investment and Sustainable Development: Sakhalin Energy's Principles and Approaches	38 80-85 123 146-147 148-149	1 16
GRI 201: Economic Performance (2016)				
201-1	Direct economic value generated and distributed	About the Company Economic Impact Management Remuneration and Bonus System	38 80-84 123	2 5 8 9 13
201-3	Coverage of the organisation's defined benefit plan obligations and other retirement plans	Social Guarantees, Benefits and Compensations	124	
201-4	Financial assistance received from government	<i>The company received no financial assistance from the government in 2018</i>		
GRI 202: Market Presence (2016)				
202-1	Ratio of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Remuneration and Bonus System	123	1 5 8
202-2	Proportion of senior management hired from the local community at significant locations of operation	General Information Recruiting Personnel and Onboarding New Employees	117-118 121	8
GRI 203: Indirect Economic Impacts (2016)				
203-1	Development and impact of infrastructure investments and services supported	Importance of the Sakhalin-2 Project for the Russian Federation and the Sakhalin Oblast Social Investments and Contributions to Sustainable Development of the Host Region	80 148-149	2 5 7 9 11
203-2	Significant indirect economic impacts, including the extent of impacts	Economic Impact Management	80	1 2 3 8 10 17
GRI 204: Procurement Practices (2016)				
204-1	Proportion of spending on local suppliers at significant locations of operation	Russian Content	82-83	8
GRI 205: Anti-Corruption (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Anti-Bribery and Corruption	62-63	16
205-2	Communication and training on anti-corruption policies and procedures	Anti-Bribery and Corruption	62-63	16
205-3	Confirmed incidents of corruption and actions taken	<i>No cases of corruption were registered in 2018</i>		16

GRI index	GRI disclosure	Report section and/or comments or references to other sources	Page in the Report	UN Sustainable Development Goals
Category: Environmental				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	HSE and Social Performance Management System Environmental Impact Management Grievance Handling in 2018 Environmental Protection Costs and Payments for the Negative Impact	21 88-111 146-147 96	12 13 14 15 16
GRI 302: Energy (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Energy Production and Consumption	92-93	7 8 12 13
302-1	Energy consumption within the organisation	Energy Production and Consumption	92-93	7 8 12 13
302-3	Energy intensity	Energy Production and Consumption	92-93	7 8 12 13
GRI 303: Water (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Impact on Water Bodies Environmental Protection Costs and Payments for the Negative Impact	89-90 96	6
303-1	Total water withdrawal by source	Impact on Water Bodies	89-90	6
303-2	Water sources significantly affected by withdrawal of water	Impact on Water Bodies <i>No water sources are materially affected by the company's withdrawal of water</i>	89-90	6
GRI 304: Biodiversity (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Environmental Monitoring and Biodiversity Conservation Environmental Protection Costs and Payments for the Negative Impact	97-108 96	6 14 15
304-1	Operational sites on, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Monitoring and Biodiversity Conservation	97-108	6 14 15
304-2	Significant impacts of activities, products, and services on biodiversity on protected areas and areas of high biodiversity value	Environmental Monitoring and Biodiversity Conservation <i>There are no significant impacts of activities, products or services on biodiversity</i>	97-108	6 14 15
304-4	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations	Environmental Monitoring and Biodiversity Conservation	97-108	6 14 15
GRI 305: Emissions (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Greenhouse Gas and Ozone-Depleting Substance Emissions Environmental Protection Costs and Payments for the Negative Impact	93-95 96	12 14 15

GRI index	GRI disclosure	Report section and/or comments or references to other sources	Page in the Report	UN Sustainable Development Goals
305-1	Direct greenhouse gas (GHG) emissions	Greenhouse Gas and Ozone-Depleting Substance Emissions	93-95	3 12 13 14 15
305-2	Energy indirect greenhouse gas (GHG) emissions	Greenhouse Gas and Ozone-Depleting Substance Emissions	93-95	3 12 13 14 15
305-6	Emissions of ozone-depleting substances (ODS)	Greenhouse Gas and Ozone-Depleting Substance Emissions	93-95	3 12
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	Impact on Atmospheric Air	89	3 12 14 15
GRI 306: Effluents and Waste (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Impact on Water Bodies Waste Management Oil Spill Prevention and Response Preparedness Environmental Protection Costs and Payments for the Negative Impact	89-90 91-92 109-110 96	12 14 15
306-1	Total water discharge by quality and destination	Impact on Water Bodies	89-90	3 6 12 14
306-2	Total weight of waste by type and disposal method	Waste Management	91-92	3 6 12
306-3	Total number and volume of significant spills	Oil Spill Prevention and Response Preparedness	109-110	3 6 12 14 15
GRI 307: Environmental Compliance (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	HSE and Social Performance Management System Environmental Impact Management Grievance Handling in 2018 Environmental Protection Costs and Payments for the Negative Impact	21 88-111 146-147 96	12 14 15
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental Protection Costs and Payments for the Negative Impact	96	16
GRI 308: Supplier Environmental Assessment (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Supply Chain Management	73-74	12
308-1	Supplier Environmental Assessment	100%		12

GRI index	GRI disclosure	Report section and/or comments or references to other sources	Page in the Report	UN Sustainable Development Goals
Category: Social				
GRI 401: Employment (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Approaches to HR Management and HR Policy Grievance Handling in 2018	114-115 146-147	
401-1	New employee hires and employee turnover by age group, gender, and region	General Information Recruiting Personnel and Onboarding New Employees	119 121	5 8
401-3	Return to work and retention rates after parental leave, by gender	General Information	117	5 8 10
GRI 402: Labour/Management Relations (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Engagement with Personnel Approaches to HR Management and HR Policy Grievance Handling in 2018	67-68 114-115 146-147	
402-1	Minimum notice periods regarding operational changes	<i>In accordance with the effective Labour Code of the Russian Federation, federal laws, and other regulatory legal acts containing norms of labour law, agreements and employment contracts</i>		8
GRI 403: Occupational Health and Safety (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Labour Safety and Protection Occupational Health Grievance Handling in 2018	138-142 143-144 146-147	
403-2	Rates of injury, occupational diseases, and total number of work-related fatalities	Labour Safety and Protection Occupational Health	139 144	3 8
GRI 404: Training and Education (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Learning and Development Grievance Handling in 2018	127-137 146-147	
404-1	Average hours of training per year per employee by gender, and by employee category	Personnel Training	130	4 5 8 10
404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Learning and Development	127-137	8
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Individual Performance Review	126	5 8 10
GRI 405: Diversity and Equal Opportunity (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Approaches to HR Management and HR Policy Grievance Handling in 2018	114-115 146-147	

GRI index	GRI disclosure	Report section and/or comments or references to other sources	Page in the Report	UN Sustainable Development Goals
405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	General Information	115-119	5 8
405-2	Ratio of basic salary and remuneration of women to men by employee category	<i>Basic salaries of men and women of all personnel categories do not differ</i>		5 8 10
GRI 406: Non-discrimination (2016)				
406-1	Total number of incidents of discrimination and corrective actions taken	<i>No cases of discrimination on any grounds were registered in 2018</i>		5 8 16
GRI 407: Freedom of Association and Collective Bargaining (2016)				
407-1	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	<i>No operations in which the right to exercise freedom of association and collective bargaining may be at significant risk</i>		8
GRI 408: Child Labour (2016)				
408-1	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	<i>No operations risk of involving child labour</i>		8 16
GRI 409: Forced or Compulsory Labour (2016)				
409-1	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	<i>No operations risk of involving forced or compulsory labour</i>		8
GRI 410: Security Practices (2016)				
410-1	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations	100%		16
GRI 411: Rights of Indigenous Peoples (2016)				
411-1	Total number of incidents of violations involving rights of indigenous peoples and actions taken	<i>No registered cases of violation of rights of Indigenous Peoples in 2018</i>		2
GRI 412: Human Rights Assessment (2016)				
412-2	Employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Human Rights Training	147	
GRI 413: Local Communities (2016)				
103-1 103-2 103-3	Explanation of the material topic and its boundary Management approach Evaluation of the management approach	Corporate Social Responsibility and Sustainable Development Corporate Governance Engagement Strategy, Principles, Mechanisms and Tools Social Investment and Sustainable Development: Sakhalin Energy's Principles and Approaches Grievance Handling in 2018	21 66-67 148-149 146-147	

GRI index	GRI disclosure	Report section and/or comments or references to other sources	Page in the Report	UN Sustainable Development Goals
413-1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	Impact Assessment Engagement Strategy, Principles, Mechanisms and Tools Social Investment and Contribution to the Sustainable Development of the Host Region 100%	34-35 66-67 148-149	
413-2	Operations with significant actual and potential negative impacts on local communities	Impact Assessment <i>In 2018, the company did not carry out operations with significant actual or potential negative impacts on local communities</i>	34-35	1 2
GRI 415: Public Policy (2016)				
415-1	Total value of political contributions by country and recipient/beneficiary	<i>As per the company's Code of Conduct, Sakhalin Energy does not support any political parties, organisations, or their representatives financially and does not participate in political activities</i>		16
GRI 416: Customer Health and Safety (2016)				
416-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	<i>No incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services in 2018</i>		16
GRI 417: Marketing and Labelling (2016)				
417-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	<i>No incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling in 2018</i>		16

Sector Disclosures (in Addition to General and Specific Standard Disclosures)

GRI index	GRI disclosure	Report section and/or comments or references to other sources	Page in the Report	UN Sustainable Development Goals
Category: Environmental				
OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	Environmental Monitoring and Biodiversity Conservation	98-108	6 14 15
OG5	Volume and disposal of formation or produced water	Impact on Water Bodies	90	3 6 8 12 14
OG6	Volume of flared and vented hydrocarbon	Impact on Atmospheric Air Greenhouse Gas and Ozone-Depleting Substance Emissions Utilisation of Associated Gas in Production	89 93-94 95	3 7 8 12 13 14
OG7	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal	Waste Management	91-92	3 6 12
Category: Social				
OG9	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place	Engagement with the Sakhalin Indigenous Minorities (SIM) Sakhalin Indigenous Minorities Development Plan www.simdp.ru	70-71 153-156	1 2
OG10	Number and description of significant disputes with local communities and indigenous peoples	<i>In 2018, there were no significant disputes with local communities and indigenous minorities</i>		1 2
OG12	Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process	<i>In 2018, there was no activity due to which involuntary resettlement took place</i>		1 2 11

Appendix 2. Comments and Suggestions of Stakeholders on Individual Aspects, Indicators and/or Programmes and The Company's Response and Commitments

Detailed information on the results of stakeholder engagement work conducted in the preparation of the Report, including dialogue meetings, surveys, etc., is presented in Section 2. About the Report hereof.

In addition to identifying material topics, stakeholders also made comments and suggestions on individual aspects, indicators, and/or programmes of the company for inclusion in the 2018 Report.

In October 2018, Sakhalin Energy held the first dialogue as part of the 2018 Report preparation. At this meeting, the company provided stakeholders with information on its activities and achievements during the reporting period. In February 2019, the second dialogue was held to provide responses to comments, suggestions and questions received during the first dialogue. During this meeting, participants made additional comments. Apart from the dialogue meetings, the company conducted electronic questionnaires, personal interviews, as well as surveys at various events in November and December

2018 (see Section 2.3. Defining Material and Priority Topics to Be Included in the Report).

Stakeholders' comments and suggestions, as well as the relevant responses and commitments of Sakhalin Energy, are listed in the table below.

The left column contains the questions, comments or critical remarks made during the events listed above. If they were expressed at the dialogue meetings, the participant's name, position and organisation are indicated. In other cases, the format of the event in which the stakeholders' opinion was collected (electronic questionnaires, interview, etc.) is specified.

The right column contains the responses that the company provided either at the events or after a period of time (in case a question required additional time to research and/or prepare the answer).

Comment, question, critical remark or suggestion	Company's response and/or commitment
Event: second dialogue meeting. Open statements	
Nadezhda Nikitina , Head of Programme and Estimate Documentation Analysis and PSA Implementation Subdivision, Ministry of Natural Resources and Environmental Protection of the Sakhalin Oblast	
Thank you for the information provided. We will be waiting for the 2018 final figures. I would like to make three suggestions. The first concerns the contributions to the budgets of the Russian Federation and the Sakhalin Oblast (Section 7.1. of the 2017 Report). Please check the amount of the contribution to the upgrade of the Sakhalin Oblast infrastructure in 2017, which is indicated as US\$ 600 mln. According to our data and your data, the amount of the contribution is smaller than that	The company will take this comment into account when preparing the 2019 Sustainable Development Report
The second suggestion regards the Russian content (Section 7.3.). I would like to thank the company for including this information. At the same time, while the value of new contracts and changes in the value of previously concluded contracts is certainly a good indicator, I would like the company to specify, additionally or instead of the above indicators, the actual costs paid to Russian and, in particular, Sakhalin companies	The information is included in Section 7.3
I would like to thank you for the inclusion of information about trainees and the number of personnel involved in the project implementation in the 2017 Report; it was our request	The company appreciates the feedback
Third, it was nice to watch the video about the launch of the LNG plant in 2009. The 2019 Report will be an anniversary one. In this connection, the company might consider the possibility of including a separate page titled "Our records" in the Report. It would be interesting to show all the record achievements made by the company in the 25 years of its operations. I think this page will be of particular interest to schoolchildren and other stakeholders	The company appreciates the feedback

Comment, question, critical remark or suggestion	Company's response and/or commitment
Valery Efanov , Head of Ecology, Geography and Natural Resources Chair at Sakhalin State University, PhD (Biology), Professor	
The first thing I want to draw your attention to is that I know more about Sakhalin Energy's environmental activities than anybody else. I have a lot of students who work in this area, participate in expeditions. Of course, I hear reports during the state test certification, made both by undergraduate and graduate students. Nevertheless, I would like to point out the following: First, the training of Sakhalin Energy's personnel in environment protection and natural resources would be more effective if it was done in the same way as before. The number of your employees I taught earlier was larger; now the number of Sakhalin Energy's employees undergoing training has slightly decreased. Apparently, it is believed that all employees are well-trained. I will not make any comments, but I must say that some of the specialists do need to get some training	As regards the company's personnel training, the company conducts internal trainings, employees take part in workshops and training courses. If any specialists are willing to get a second higher education in Ecology, they have an opportunity to do it. It is quite possible that soon some of our employees will be willing to receive such training; then we will take the offer and send them for training
The second thing that I would like to draw your attention to is that you (Sakhalin Energy) sponsor various publications about various natural complexes. This is great — they are interesting. I suggest the following: let us publish a classic textbook for the general educational process in the field of ecology (as a science — Editor's note), which would present three fundamental aspects of ecology — autecology, deme-ecology and synecology... I, for one, am ready to take responsibility for the preparation (of the textbook — Editor's note), or rather, I have prepared it already. I am ready to hand it over to you within a month for publication. I hope that you and residents of the Sakhalin Oblast and Russia as a whole will find it interesting. I am sorry to say that we can often hear such phrases as "bad ecology", "good ecology", "habitat", etc. How can completely uninformed people be engaged in environmental education? So I suggest that it would be a good idea to publish it (this textbook — Editor's note)	As regards providing support for the publication of the classic textbook, the proposal will be considered
Third, I will mention something that I have noticed (no offence). There are principles that have been enshrined in the Federal Law On Environmental Expert Review. The law mentions "presumption of potential hazard", which implies that any economic activity has an impact on the environment. I understand and repeat that you are doing a good job protecting the environment, but you cannot possibly avoid affecting the environment during your operations completely. Environmental impact can be minimised, its value can approach zero, but, believe me, it will never ever reach a zero value. I wish you all success and well-being	As regards the lack of negative impact, the company has never said that its activities have no impact at all, but the impact is within the established standards. As stated in the Decree of the Government of the Russian Federation and the Order of the Ministry of Natural Resources of Russia, issued in 2016, the company conducts a comprehensive technological and environmental monitoring of the process of drill cuttings re-injection into the deep horizons of the subsoil in order to confirm that no negative environmental impact can be observed around the drilling waste disposal facilities. According to the results of the monitoring, the monitored parameters do not exceed the established standards and background indicator values. In the past two years, Rosprirodnadzor confirmed the absence of negative impact based on the fact that the state of the environmental components had not changed
For you to get a good idea of the Report, I will explain the following: biological diversity can be assessed by two indicators: the Simpson and the Shannon coefficients. It would be amazing if people engaged in studying biological diversity assessed the state of both the animal and plant communities against the backdrop of changes in these indicators. In this case, we would know the change trends of this or that wildlife community. And then it would be possible to clearly see the trends in biodiversity. That is, it was so and so, and now it is so and so — clearly and concrete. Thank you for attention	These coefficients really characterise the state of wildlife communities very well. However, as you know, there are no requirements in Russian legislation for assessing biodiversity in terms of indices of difference, abundance and evenness, as well as regulatory and methodological approaches to such assessment. Therefore, the understanding of the term "biodiversity" is often limited to species diversity and monitoring the number of specific protected species of animals or plants. Given the above, there is much sense in the recommendation, but it will be some time before the corresponding coefficients will be used officially. Carrying out monitoring studies in the preparation of contractors' reports, the company uses these coefficients to substantiate conclusions about the stable state of communities and ecosystems in the vicinity of our production facilities
Did the monitoring of gray whales, Steller's sea eagles, and Sakhalin taimen continue in 2018? Are such observations planned for 2019?	In 2018, in accordance with the relevant programmes, the monitoring of gray whales and Steller's sea eagles continued in the north-east Sakhalin. Information on the results of this monitoring is included in Section 8.3. of the Sustainable Development Report. In 2019, observations under the environmental monitoring programmes will continue

Comment, question, critical remark or suggestion	Company's response and/or commitment
Other activities (electronic questionnaires, personal interviews, etc.)	
I wish you further prosperity and new projects in the area of environmental protection	The company appreciates the feedback
2018 results	The information is included in Section 8.2
Benefits for the Sakhalin Oblast in 2018. What is the amount of funds that the Sakhalin Oblast budget received from the company?	The information is included in Section 7.2
The company's production activity and innovations are highlighted in a very detailed and interesting way	The company appreciates the feedback
It would be very interesting to learn about innovations in production	The information is included in Section 4
What production successes did the company achieve in 2018?	The information is included in Section 4
Provide information about the Sakhalin Industrial Park. Give examples of digitalisation	The information is included in Sections 7.3. and 4
What projects aimed at the training and development of both children and adults are most often supported and stand out from the rest?	Education is one of the priority areas of social investment. The company supports various educational projects, information about which is presented on the websites of the company's programmes. General information on the results in 2018 is included in Section 9.5
Volunteer projects in 2018	The year 2018 was announced the Year of Volunteers in Russia. The company implemented a number of activities and projects aimed at the development of volunteering. General information on the results is included in Section 9.5
The company is successfully implementing the Third Sakhalin Indigenous Minorities Development Plan, especially the Education component under the Social Development Fund (SDF), which gives Sakhalin Indigenous Minorities children an opportunity to receive higher technical education. We are grateful to you for this	The company appreciates the feedback
Will the Report present long-term social projects? There has been no increase in the past 10 years	Information on external social investments will be included in Section 9.5. of the Report
Main local communities engagement activities in 2018	The information is included in Section 6
The results of work of the information centres in 2018	The information is included in Section 6
Training of specialists from among Sakhalin Indigenous Minorities and their employment at Sakhalin Energy (include such information in plans systematically, on a regular basis)	Workplace quotas are set in accordance with applicable Russian laws. Currently, Russian legislation does not provide for the allocation of quotas on a national ethnic basis. At the same time, the company seeks to maximise the engagement of Russian citizens, mainly residents of the Sakhalin Oblast, in its operations. This approach is the basis of the company's personnel policy and complies with the terms of the Sakhalin-2 project Production Sharing Agreement. Educational projects are being implemented as part of the Sakhalin Indigenous Minorities Development Plan. In 2018, for example, 58 SIM students of specialised secondary and higher educational institutions received financial support
Safety (innovations)	The information is included in Section 9.2
Employee training (local staff). When hiring new employees, priority is given to local residents	The information is included in Section 9.1
The main production results in 2018 and their comparison with the results of the previous years	The information is included in Section 4
Comparison of indicators for 2018 with the results of the previous years (this question concerns the "Corporate Social Responsibility (CSR) and Sustainable Development" section — Editor's note)	The information is included in Section 3
General information about the engagement with government authorities	The information is included in Section 6.9

Comment, question, critical remark or suggestion	Company's response and/or commitment
Financial benefits to the Russian Federation and the Sakhalin Oblast. If possible, compare them with those provided by other companies	The report includes only Sakhalin Energy's indicators
The company's contribution to the improvement of the overall environmental situation in the host cities and towns	<p>Gasification of Yuzhno-Sakhalinsk HPP-1 Sakhalin Energy makes every effort to improve the environmental situation in the host cities and towns. For example, the company has been transporting natural gas via the Southern GTT to Yuzhno-Sakhalinsk Heat and Power Plant-1 and other Sakhalin infrastructure facilities since 2011.</p> <p>Landfill upgrades The company has upgraded three landfills for waste disposal in Korsakov, Nogliki and Smirnykh. This was due to the need to improve the existing infrastructure of the island for the period of the Sakhalin-2 Phase II construction work and further operation of the company's facilities. The landfills were upgraded to meet the requirements of Russian legislation, aimed at minimising the impact on the environment, as well as international standards. The company made sure that the conditions for the disposal of its waste did not cause a deterioration of the environment in the region, and, on the contrary, met high environmental standards</p>
Information about the environmental campaigns with the participation of the company's employees	This information is included in Section 9.5.4. For more details, see 2018 July and November issues of the Vesti newsletter on the Sakhalin Energy's website (Media Centre section, News page) http://www.sakhalinenergy.ru/ru/media/vesti/
Information on changes in the number of employees – citizens of the Russian Federation and foreign citizens – in 2018 and the previous years	Information is included in Section 9.1.2
A brief presentation of general information: the results of activities in one-page infographic	The information is included in the Report
Only improvements and achievements made in the reporting period	In the recommendations given by RUIE experts as part of public endorsement of the Report, special emphasis is put on the disclosure of information about the company's activities over several years rather than about changes, improvements and achievements made in the reporting period. According to experts, the presentation of information in dynamics (over 3 to 5 years) allows stakeholders to draw well-informed conclusions about the systematic nature and effectiveness of the company's management approaches in various areas of activity. Also, this approach to disclosing information complies with the principles of non-financial reporting based on GRI standards
The development of the HR management system in general	The information is included in Section 9.1
Staff reduction planned for the next two years	It is not planned to reduce the number of employees of the company in the next one or two years
The impact of sanctions and the challenges we face	The risk of adverse effects of current and potential sanctions is considered to be one of the most serious risks faced by the company. To control this risk, an interdisciplinary sanctions task group has been formed in the company. It is responsible for monitoring and developing situation management plans
Major achievements made by the company in the past year, and plans for the next 3–5 years	Information on Sakhalin Energy's main achievements is included in Section 1, production and technical achievements in the reporting period – in Section 4, achievements in the area of environmental impact management – in Section 8, achievements in the area of social impact management – in Section 9, and the company's plans – in Section 10
It makes sense not to describe some of the company's standards and policies if they have remained unchanged; instead, you can make a reference to the previous reports or give a link to the web resource where they have already been covered. This will save space in the Report, which can be used to tell more about the important positive results of activities related to the implementation of these standards and policies	The discussions of the Report's content with stakeholders show that experts in the area of CSR, environmental protection, charitable activities, etc., representatives of various authorities, NGOs, residents of the Sakhalin Oblast are interested in the disclosure of detailed information about the company's management approaches in all areas of activity. This requires listing the company's key policies and procedures in the field of CSR and sustainable development, and giving a brief description of the most important ones. In the opinion of stakeholders, this makes it easier to understand information about the company's activities in the reporting period, and it is also convenient, since there is no need to search for additional information

Comment, question, critical remark or suggestion	Company's response and/or commitment
Volunteering, including skill-based volunteering	The information is included in Section 9.5.4. For more details, see December 2018 issue of the Vesti newsletter on the Sakhalin Energy website (Media Centre section, News page http://www.sakhalinenergy.ru/ru/media/vesti/)
Development projects (first of all, production development projects), the Sakhalin Industrial Park, examples of digitalisation, the Russian content	The information is included in Section 4
Social projects and initiatives	The information is included in Section 9.5
Local specialists	The information is included in Section 9.1
Environmental projects, local community projects, all Good Deeds	The information is included in Sections 8 and 9.5

Appendix 3. List of Participants of the Stakeholder Engagement Meetings Held during Preparation of the 2018 Sustainable Development Report

1. Korsakov City District Administration, O.I. Manukhin, Deputy Head of Social Development Department.
2. Yuzhno-Sakhalinsk Municipal District Administration, N. N. Angarskaya, Deputy Director of Economic Development Department.
3. Yuzhno-Sakhalinsk Municipal District Administration, P. V. Volovik, Principal Advisor of Public Relations Subdivision of Internal Policy Division.
4. Yuzhno-Sakhalinsk Municipal District Administration, T. A. Kononenko, Head of Public Relations Subdivision of Internal Policy Division.
5. Yuzhno-Sakhalinsk Municipal District Administration, O. N. Nastich, Deputy Director of Economic Development Department.
6. Sakhalin Governor's and Government Office, N. V. Mizinin, Head of Indigenous Minorities Division.
7. Sakhalin School of Industry and Economics, A. A. Oleynik, Deputy Director for Academic and On-the-Job Training.
8. Sakhalin Regional Children's Library, I. M. Kalinovskaya, Chief Librarian.
9. Sakhalin Regional Children's Library, T. I. Novikova, Director.
10. Sakhalin Regional History Museum, T. P. Chaychenko, Subdivision Head.
11. Sakhalin Regional Art Museum, A. V. Buryka, Director.
12. Sakhalin Regional Art Museum, A. V. Lomteva, Head of Science and Education Subdivision.
13. Sakhalin Regional Art Museum, I. G. Malkova, Deputy Director.
14. Sakhalin Regional Art Museum, E. S. Nitkuk, Head of Regional Art Projects Subdivision.
15. Sakhalin Regional Art Museum, Z. V. Turmanova, Head of Educational Programmes Subdivision.
16. Preodoleniye Centre, V. M. Golovko, Department Head.
17. Yuzhno-Sakhalinsk City Duma, S. V. Dubov, Deputy.
18. Chief Directorate of the EMERCOM for the Sakhalin Oblast, N. P. Sharukhina, Lead Expert.
19. Aniva Centralised Library System, Troitskoye rural library, A. A. Korzh, Head of the Library.
20. Makarov Centralised Library System, branch library No. 2, Vostochnoye village, M. Ye. Sokolova, Head of the Library.
21. Makarov Centralised Library System, branch library No. 4, Novoye village, E. Yu. Egorova, Head of the Library.
22. Makarov Centralised Library System, Makarov Central Library, N. S. Merzlikina, Librarian.
23. Korsakov Centre for Youth Initiatives of the Sakhalin Oblast, L. M. Khrustaleva, Director.
24. Korsakov District Centralised Library System, Korsakov City Library No. 13, A.P. Kovaldina, Head of the Library.
25. Dolinsk Centralised Library System, Vzmorye rural library No. 6, V. N. Sledyuk, Head of the Library.
26. Dolinsk Centralised Library System, E. D. Lebkov Model Central City Library, M.F. Kazimirskaya, Librarian.
27. Dolinsk Centralised Library System, Sovetskoye rural library No. 10, M. Yu. Chakurova, Head of the Library.
28. Dolinsk Centralised Library System, Sokol rural library No. 5, L. Yu. Tsarkova, Chief Librarian.
29. Poronaysk Centralised Library System, Poronaysk Model Central Library, I. A. Motorina, Department Head.
30. Smirnykh Centralised Library System, Library-and-Reading Centre, Branch No. 3, Onor village, E. N. Ivoyzha, Head of the Library.
31. Smirnykh Centralised Library System, Library-and-Museum, branch No. 4, Pobedino village, N. V. Novokshanova, Head of the Library.
32. Smirnykh Centralised Library System, branch library No. 6, Roschino village, T. D. Plokhonina, Head of the Library.
33. Smirnykh Centralised Library System, Library-and-Public Access Centre, Branch No. 7, Buyukly village, E. A. Yamalova, Head of the Library.
34. Smirnykh Centralised Library System, Smirnykh Central Model Library, V. V. Chernova, Head of the Children's Library.
35. Tymovsk Centralised Library System, A. A. Spiridonova, Director.
36. Tymovsk Centralised Library System, Kirovskoye rural library (branch No. 8), Z. N. Titenkova, Head of the Library.
37. Tymovsk Centralised Library System, Molodezhnoye rural library (branch No. 17), T. V. Isaeva, Librarian.
38. Tymovsk Centralised Library System, Yasnoye rural library (branch No. 13), N. V. Gornostaeva, Head of the Library.
39. Kholmsk Centralised Library System, Yuri Nikolaev Central District Library, N. N. Bochkareva, Section Head.
40. Ministry of Forestry and Hunting of Sakhalin Oblast, A. F. Khalilulova, State Inspector of the Yuzhno-Sakhalinsk Forestry.
41. Ministry of Forestry and Hunting of Sakhalin Oblast, Department for Specially Protected Natural Areas, Wildlife and Hunting, E. G. Chernyavskaya, Head of Subdivision for Organisation of Specially Protected Natural Areas and Biodiversity.
42. Ministry of Education of Sakhalin Oblast, E. F. Babina, Deputy Minister.
43. Ministry of Education of Sakhalin Oblast, E. V. Klinova, Lead Consultant.
44. Ministry of Natural Resources and Environmental Protection of Sakhalin Oblast, A. O. Maksimova, Advisor of Environmental Protection, Regulation and Licensing Subdivision.
45. Ministry of Natural Resources and Environmental Protection of Sakhalin Oblast, N. V. Nikitina, Head of Cost Estimate Analysis and PSA Implementation Subdivision.
46. Ministry of Natural Resources and Environmental Protection of Sakhalin Oblast, F. S. Ogienko, Assistant.
47. Ministry of Natural Resources and Environmental Protection of Sakhalin Oblast, Yu. A. Shiryaeva, Senior Advisor.
48. Ministry of Sport, Tourism and Youth Policy of Sakhalin Oblast, E. E. Umnov, Deputy Minister.
49. Ministry of Economic Development of Sakhalin Oblast, A. A. Uspensky, Minister.
50. Ministry of Economic Development of Sakhalin Oblast, A. V. Butukhanov, Deputy Minister.
51. Nogliki Centralised Library System, Nogliki Central Library, D. V. Ivlieva, Librarian.
52. Representative of the Indigenous Peoples of the North, E. P. Dzyapi.
53. Representative of the Indigenous Peoples of the North, M. V. Kragina, Sakhalin Indigenous Minorities Development Plan Coordinator
54. Regional Council of Authorised Representatives of the Sakhalin Indigenous Minorities, S. N. Sangi, Council Member.
55. Rodnik Environmental Centre (Sakhalin Regional Public Organisation), A. S. Zatsarinaya, Chairman.
56. Sakhalin State University, V. N. Efanov, Head of Ecology, Geography and Natural Resources Department, PhD (Biology), Professor.
57. Sakhalin State University, D. V. Dorofeeva, Lead Specialist.
58. Sakhalin State University, E. N. Lisitsina, Head of Sustainable Development Department.
59. Indigenous Minorities Council of Yuzhno-Sakhalinsk, A. Ya. Nachetkina, Deputy Chairman.
60. Indigenous Minorities Council of Yuzhno-Sakhalinsk, G. N. Egorova, Council Member.
61. Human Rights Commissioner for Sakhalin Oblast, S. B. Sedov.
62. Sakhalin Oblast Division of the Federal Service for Supervision of Natural Resources, O. Yu. Deeva, Lead Expert of the Water and Land Resources Supervision Department.

Appendix 4. Useful Links

About the company	www.sakhalinenergy.com (section About the Company)
Company public website	www.sakhalinenergy.com
Contracting with us	www.sakhalinenergy.com (section Contracting with Us)
Energy TV programme	www.sakhalinenergy.com (section Media Center)
Job and Career	www.sakhalinenergy.com (section Job and Career)
Media centre	www.sakhalinenergy.com (section Media Center)
Sustainable Development Principles	www.sakhalinenergy.com (section Social Performance)
Vesti newsletter	www.sakhalinenergy.com (section Media Center)
Whistle blowing procedure	www.sakhalinenergy.com (section About the Company – Our Principles)
Company documents and material referred to in the Report	
Biodiversity Action Plan	www.sakhalinenergy.com (section Media Center – Library – Environmental Documents)
Code of Conduct;	www.sakhalinenergy.com (section About the Company – Our Principles)
Company social performance management standard	www.sakhalinenergy.com (section Safety and Environment – Health, Safety, Environment and Social Action Plan)
Contracting and Procurement Policy	www.sakhalinenergy.com (section Contracting with Us)
Health Safety Environmental and Social Action Plan, Policies and Standards on Health, Safety, Environment and Social Performance (note: complex of documents)	www.sakhalinenergy.com (section Safety and Environment – Health, Safety, Environment and Social Action Plan)
Human Rights Policy	www.sakhalinenergy.com (section About the Company – Our Principles)
Lenders' Independent Environmental Consultant Reports on Conducted Monitoring	www.sakhalinenergy.com (section Safety and Environment – Health, Safety, Environment and Social Action Plan)
Oil Spill Response Documentation	www.sakhalinenergy.com (section Media Center – Library – Oil Spill Response Documentation)
Public Consultations and Disclosure Reports	www.sakhalinenergy.com (section Social Performance – Community Awareness)
Public Consultations and Information Disclosure Plan (updated annually)	www.sakhalinenergy.com (section Social Performance – Community Awareness)
Sakhalin Energy Commitment and Policy on Health, Safety, Environment and Social Performance	www.sakhalinenergy.com (section Safety and Environment – HSE and Social Performance Management System)
Statement on application of ISO 26000:2010 Guidance on Social Responsibility	www.sakhalinenergy.com (section Social Performance – Sustainable Development Principles)
Sustainable Development Policy	www.sakhalinenergy.com (section About the Company – Our Principles)
Sustainable Development Reports	www.sakhalinenergy.com (section Media Center)
Projects and Programmes websites	
Korsakov Partnership Council for Sustainable Development	www.korsakovsovet.ru/
Sakhalin Indigenous Minority Development Plan	www.simdp.ru

The Energy Social Initiatives Fund	www.fondenergy.ru
The Safety is Important Programme	www.senya-spasatel.ru
Printed Materials	
ABC–book of the Uilta language	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Archaeological heritage of Sakhalin Island	www.sakhalinenergy.ru (section Media Center – Library – Published editions)
Birds of Sakhalin Island (photo album)	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Calendar 2017 – Safety is priority!	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Calendar 2019 – Sakhalin Energy: 25 years of energy for growth	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Comics	www.senya-spasatel.ru
EA. Best Practices Book Vol.1	www.sakhalinenergy.com (section Media Center – Library – Published editions)
EA. Best Practices Book. Vol.2	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Environmental protection at northern assets of Sakhalin Energy	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Environmental protection at the Prigorodnoye Production Complex	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Gray Whales. The Sakhalin Story	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Human Rights: Experience of Sakhalin Energy	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Liquefied natural gas (collection of interesting facts)	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Nivkh Myths and Fairy Tales	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Photo album 'the World through a lens'	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Poisonous Plants and Fungi	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Resettlement: experience of Sakhalin Energy	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Rivers of Sakhalin Island	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Russian Content: Success Stories and New Opportunities	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Sakhalin-2 Encyclopedia	www.sakhalinenergy.com (section Media Center – Library – Published editions)
Steller's Sea Eagle	www.sakhalinenergy.com (section Media Center – Library – Published editions)
The Universal Declaration of Human Rights in the Nivkh language	www.simdp.ru (section Multimedia – Other Materials)
The Universal Declaration of Human Rights in the Uilta language	www.simdp.ru (section Multimedia – Other Materials)
The Universal Declaration of Human Rights into the Nanai Language	www.simdp.ru (section Multimedia – Other Materials)
Vladimir Sangi the book for 80th anniversary of the writer	www.simdp.ru (section Multimedia – Other Materials)

Reference Material and Other	
Global Initiative Sustainability Reporting Guidelines	www.globalreporting.org
IUCN Western Gray Whale Advisory Panel (WGAP)	www.iucn.org/western-gray-whale-advisory-panel
Mapping the Oil and Gas Industry to the Sustainable Development Goals: an Atlas	www.ipieca.org/our-work/sustainable-development-goals/
SDG Compass	sdgcompass.org/
Sustainable Development Goals	www.un.org/sustainabledevelopment/ru/sustainable-development-goals/
UN Global Compact	www.unglobalcompact.org/
UN Sustainable Development Goals	www.sakhalinenergy.ru/en/social_responsibility/sdg.wbp

Appendix 5. Company's Information Centres List

District	Locality	Organisation	Address
Aniva	Troitskoye	Rural library, Branch No.7, Sub-division of the Municipal Institution Aniva Municipal Centralised Library System	13, Sovetskaya St.
Dolinsk	Vzmorye	Rural library, Branch No.6, Sub-division of the Municipal Institution Dolinsk Municipal Centralised Library System	22, Pionerskaya St.
	Sovetskoye	Rural library, Branch No.10, Sub-division of the Municipal Institution Dolinsk Municipal Centralised Library System	127a, Tsentralnaya St.
	Dolinsk	Dolinsk Central City Library, Sub-division of the Municipal Institution Dolinsk Municipal Centralised Library System	31, Lenina St.
	Sokol	Rural library, Branch No.5, Sub-division of the Municipal Institution Dolinsk Municipal Centralised Library System	14, Shirokay St.
Kholmsk	Kholmsk	Central Regional Library named after Yury Nikolayev, Sub-division of the Municipal Institution of Culture Kholmsk Centralised Library System of Kholmsk Municipality	124, Sovetskaya St.
Makarov	Vostochnoye	Rural library, Branch No.2, Sub-division of the Municipal Institution Makarov Municipal Centralised Library System	8, Privokzalnaya St.
	Makarov	Makarov Central Library, Sub-division of the Municipal Institution Makarov Municipal Centralised Library System	9a, 50 Let Oktyabrya St.
	Novoye	Rural library, Branch No.4, Sub-division of the Municipal Institution Makarov Municipal Centralised Library System	11a -7, Tsentralnaya St.
Poronaysk	Poronaysk	Poronaysk Central Library, Sub-division of the Municipal Institution of Culture Poronaysk Municipal Centralised Library System	45, Gagarina St.
	Gastello	Rural library, Branch No.4, Sub-division of the Municipal Institution of Culture Poronaysk Municipal Centralised Library System	42-2, Tsentralnaya St.
	Vostok	Rural library, Branch No.13, Sub-division of the Municipal Institution of Culture Poronaysk Central Library System	10a, Gagarina St.
Smirnykh	Onor	Rural library, Branch No.3, Sub-division of the Municipal Institution of Culture Smirnykh Centralised Library System	21, Sovetskaya St.
	Pobedino	Pobedino Rural Library-Museum, Branch No.4, Sub-division of the Municipal Institution of Culture Smirnykh Centralised Library System	60, Tsentralnaya St.
	Smirnykh	Smirnykh Central Library, Sub-division of Municipal Institution of Culture Smirnykh Centralised Library System	12, Lenina St.
	Roschino	Rural library, Branch No.6, Sub-division of the Municipal Institution of Culture Smirnykh Centralised Library System	4, Komsomolskaya St.
	Buyukly	Rural library, Branch No.7, Sub-division of the Municipal Institution of Culture Smirnykh Centralised Library System	1, Kosmonavtov St.

District	Locality	Organisation	Address
Tymovsk	Molodezhnoye	Rural library, Branch No.17, Sub-division of the Municipal Institution of Culture Tymovsk Centralised Library System	14a, Sovetskaya St.
	Tymovskoye	Central District Library, Sub-division of the Municipal Institution of Culture Tymovsk Centralised Library System	68a, Kirovskaya St.
	Yasnoye	Rural library, Branch No.13, Sub-division of the Municipal Institution of Culture Tymovsk Centralised Library System	2, Titova St.
	Kirovskoye	Rural library, Branch No.8, Sub-division of the Municipal Institution of Culture Tymovsk Centralised Library System	70, Tsentralnaya St.
Nogliki	Nogliki	Nogliki District Central Library, Sub-division of the Municipal Institution of Culture Nogliki Centralised Library System	5a, Pogranichnaya St.
Korsakov	Korsakov	Korsakov city Youth Library, Branch No.13, Sub-division of the Municipal Institution of Culture Korsakov Centralised Library System	7, Molodezhny Per.

Appendix 6. Feedback Form

DEAR READERS,

You have just read 2018 Sakhalin Energy Sustainable Development Report (hereinafter – Report).

Your opinion on this Report is very important to us, and we would really appreciate if you help us improve the quality of reporting by answering questions stated in this Form.

1. After reading the Report, do you have a better idea and understanding of Sakhalin Energy activities in sustainable development?

- Yes
- Mostly Yes
- Equal
- Mostly No
- Unsure

Please provide comments in support of your answer

2. What is your impression on information contained in this Report?

- Very interesting
- Mostly interesting
- Equal
- Mostly uninteresting
- Greatly uninteresting
- Unsure

3. How do you rate this Report in terms of credibility and impartiality of information provided?

- Very favourable
- Mostly favourable
- Equal
- Mostly unfavourable
- Very unfavourable
- Unsure

Please provide comments in support of your answer

4. How do you rate the Report in terms of how easy it is to find required information?

- Very easy
- Mostly easy
- Equal
- Mostly uneasy
- Very uneasy
- Unsure

Please provide comments in support of your answer

5. What Section of the Report was most interesting and valuable to you?

6. What aspects of Sakhalin Energy activity, in your opinion, are to be improved in order to enhance its social responsibility?

7. What other information would you like to have in the next Sakhalin Energy Sustainable Development Reports?

8. Please provide general comments on the Report:

9. Are you or your organisation interested in participating in dialogues about preparation of 2019 Sustainable Development Report?

- Yes (please provide your contact information)
- No

10. What other organisations in your opinion may be invited to take part in subsequent dialogues about preparation of the Sustainable Development Report?

11. Which group of parties or persons concerned do you belong to?

- Company's employee
- Investor
- Shareholder
- Customer (Buyer)
- Partner (Contractor)
- Representative of authorities
- Representative of a public organisation
- Mass media
- Other group of persons concerned

Please indicate your contact information below:

Name: _____

Job title: _____

Telephone: _____

Organisation: _____

Fax: _____

Address: _____

E-mail: _____

What type of communication is preferable?

By mail

By E-Mail

Please return the completed Form on the 2018 Sustainable Development Report to:

35 Dzerzhinskogo St., Yuzhno-Sakhalinsk, Sakhalin Region, Russian Federation, 693020

You may also send this Form by e-mail: ask@sakhalinenergy.ru or leave it at a Company's Information Centre. Addresses of Information Centres are given in Appendix 5 to the Report.

THANK YOU FOR YOUR FEEDBACK!

Appendix 7. Certificate of Public Endorsement

Russian Union of Industrialists and Entrepreneurs

CERTIFICATE

of Public Endorsement of Corporate Non-Financial Report

Sustainable Development Report of Sakhalin Energy 2018

has passed public endorsement at the RUIE Council for
Non-Financial Reporting

The detailed RUIE Council conclusion regarding public endorsement of 2018 Sustainable Development Report of Sakhalin Energy has been provided to the Company, which may publish it without any amendments and use it for in-house purposes as well as in engagements with stakeholders.

Registration No. 134.01.004.01.18

RUIE President

/signature/

A. Shokhin

Moscow, 2019

Appendix 8.

Conclusion on the Results of the Review of Sakhalin Energy 2018 Sustainable Development Report by the RUIE Non-Financial Reporting Council for the Purpose of Public Endorsement

The Non-Financial Reporting Council (the Council) of the RUIE (Russian Union of Industrialists and Entrepreneurs), established by the Bureau of the Board (Resolution dated 28 June 2007), has reviewed the 2018 Sustainable Development Report (the Report) at the request of Sakhalin Energy Investment Company Ltd. (Sakhalin Energy, or the company).

The company requested the RUIE to arrange a public endorsement process by the Council. The Council issues its opinion on the relevance and completeness of information provided in the company's report in accordance with responsible business principles which are contained in the Social Charter of Russian Business and comply with the UN Global Compact, Russian and international social responsibility standards.

During the period from 25 February to 15 March 2019, the Council's members reviewed the company's Report and prepared this Conclusion based on the Council-approved Rules for Public Endorsement of Non-Financial Reports. The Council's members possess required competencies in the areas of corporate responsibility, sustainable development, and non-financial reporting; they abide by ethical requirements for making independent and objective assessments; and they express their personal opinions as experts, but not the opinions of their respective organisations.

The relevance and completeness of the Report were assessed based on the following criteria:

The information is relevant, since it demonstrates the company's compliance with responsible business principles as set forth in the Social Charter of Russian Business (www.rspp.ru).

Complete information means that the company's Report provides integrated information on all main aspects of the company's activities – the underlying values and strategic goals, management systems and structures, major achievements and key performance indicators, stakeholder engagement processes.

The fact that the company has applied international reporting principles is taken into account as part of the public endorsement process. However, it is outside the scope of this Conclusion to assess the extent of the compliance of the Report with international reporting principles.

Sakhalin Energy bears all responsibility for the information and announcements in the Report. The authenticity of the factual data provided in the Report is outside the scope of the public endorsement process.

This Conclusion is issued for Sakhalin Energy. The company may use this Conclusion for internal purposes, as well as for its engagements with stakeholders, provided the Conclusion is published as is, without any changes.

FINAL OPINION

Based on the review of the Report and the public information published on the company's website, and followed by a discussion of the independent review of the Report by the RUIE Non-Financial Reporting Council, the Council confirms the following:

The 2018 Sustainable Development Report of Sakhalin Energy Investment Company Ltd. contains material information and covers key areas of responsible business practices in accordance with the Social Charter of Russian Business. It provides sufficiently detailed information on the company's activities in these areas.

The 2018 Report addresses the RUIE Council's recommendations for the 2017 Sakhalin Energy's Sustainable Development Report. The information about the correlation of the company's goals and objectives in specific areas of activity with the UN Sustainable Development Goals until 2030 was supplemented by indicators that could be used to track the contribution of the company's activities to the achievement of these global goals.

The company's 2018 Report contains material information regarding the following aspects of responsible business practices:

Economic Freedom and Responsibility. The Report specifies financial and economic indicators of the company for the reporting year and confirms the importance of the Sakhalin-2 project for the Russian Federation and Sakhalin Oblast. The Report describes the results of the Enhanced Oil Recovery and Continuous Improvement programmes. It also provides information about the largest data center opened in the Russian Far East. The Report describes the main innovations implemented at the company's production assets, as well as its growth projects. It also contains information about the company's plans for the coming year, and highlights the key elements of the Growth Strategy up to 2023. The document shows the correlation of the company's goals and objectives with the UN SDGs-2030. It characterises the system and structure of corporate governance, its basic principles and elements, and outlines the organisational structure of the company, which ensures the fulfilment of functional tasks. It is stressed that the HSE and quality management system of the Prigorodnoye production

complex complies with ISO 9001, 14001:2015, and OHSAS 1800 international standards. The Report provides information on the risk management and assurance systems. It also gives an account of the company's anti-bribery and corruption activities. The document describes the corporate social responsibility management system and the sustainable development policy of Sakhalin Energy.

Business Partnership. The Report lists the company's stakeholders, shows the process of stakeholder engagement, including during the preparation of the Report. It provides information on HR policy, tools and results of employee learning and development, paying remuneration and providing social protection, measures to ensure occupational safety and health of personnel. It is reported that a regular Goal Zero Survey was conducted. The Report informs about the participation of employees in the annual strategic workshop, the results of which serve as the basis of the company's Journey Book. Information about conducting annual forums with buyers is also included in the Report. It is underlined that the company extends an essential part of the requirements and business principles set out in CSR documents to its contractors by including special provisions and additional requirements regarding environmental, health and social issues into the contracts. The Report gives an account of the Vendor Development Programme, which provides for training sessions and workshops to ensure that business ethics, social and environmental principles are effectively integrated and to oversee their compliance. The document covers the company's interaction with the Sakhalin Oblast residents through the company's information centers, and provides statistics of applications in the reporting year. The Report informs about the further work of the Coordinating Council for cooperation between the Administration of Yuzhno-Sakhalinsk and Sakhalin Energy, and about the meetings of the Biodiversity Working Group of the Sakhalin Oblast Interdepartmental Environmental Council. It is stated that the company holds regular dialogue with its Japanese stakeholders. The Report highlights the company's participation in a number of important international and regional events on industrial issues and various aspects of sustainable development.

Human Rights. The Report emphasises that Sakhalin Energy has adopted standards for observing human rights in all areas of its activities in which these rights can potentially be violated. The document describes the company's activities aimed at raising the awareness of employees and contractors about human rights through training courses and information sessions. It covers the mechanism of addressing grievances related to violations of the General Business Principles, the Code of Conduct, and other procedures of the company, labour relations between employees and the company, as well as community grievances, including the Sakhalin indigenous minorities, employees of contractor and subcontractor organisations. The Report presents the results of work with grievances in the reporting year. The document includes information about the company's activities aimed at disseminating its experience in respecting human rights at the national and international levels.

Environmental Preservation. The Report outlines the company's environmental policy as part of its Sustainable Development Policy. It presents information about environmental impact management system and tools including industrial environmental control, environmental risk management, programmes to enhance competencies of company and contractor staff, environmental monitoring, and biodiversity conservation programmes. It is stated that in 2018, the company was certified according to the new edition

of ISO 14001:2015. The gross and specific environmental impact indicators are given in dynamics. The document describes the company's work to increase energy saving and energy efficiency as part of the Continuous Improvement Programme and process optimisation. The results of this work are reflected in energy consumption indicators. The Report discloses information about annual record keeping and control of direct and indirect greenhouse gas emissions from the company's production and non-production assets. It provides indicators of gross and specific emissions, and outlines the structure of the sources of greenhouse gas emissions by areas of activities. The document contains data on environmental costs and adverse impact fees. Particular attention is given to environmental monitoring in different areas and biodiversity conservation measures. General information is presented about the company's activities aimed at preventing oil spills and ensuring preparedness for accidental spills. The document contains information on maintaining the sanitary protection zones of the pipelines.

Local Community Development. The Report outlines the company's current regulations and practices in the area of social investment in the host region and its sustainable development, as well as social programmes and projects management. It specifies the key areas of projects implementation defined as the result of public consultations. The information on regular internal monitoring of social investment projects and independent external assessment is presented in the Report. The document describes key projects which involve public organisations and state institutions. It gives an account of special projects dedicated to the Year of Volunteers in the Russian Federation. The Report contains data on the number of participants and costs of a range of programmes and projects, the total costs of external social programmes in the reporting year as well as social investment targets for 2019.

CONCLUDING STATEMENTS

Overall, the Sakhalin Energy's Report provides sufficient information on the business practice of the company which is based on the principles of corporate social responsibility and sustainable development, presents data supporting the integration of these principles into the strategy and management systems. It contains detailed information on corporate policies, regulations, standards, and control procedures that ensure the implementation of these principles in the company's activities. The Report provides a considerable amount of data reflecting the results of the economic, social, and environmental performance in the reporting period, and company's impacts on society and the environment.

The Report was prepared using the GRI standards (Core), which ensures the continuity of information across reporting cycles, as well as comparability with other companies' reports. The Report contains information on company's specific contributions to the achievement of the UN Sustainable Development Goals most relevant to the company.

The 2018 Sustainable Development Report of Sakhalin Energy Investment Company Ltd. is its tenth annual report of this kind, which confirms continuity in the development of non-financial reporting process and the company's adherence to transparency and openness principles. Evidence is provided that the material subjects to be included in the Report were defined taking into account stakeholders' opinions.

RECOMMENDATIONS

Recognising the merits of the Sakhalin Energy's 2018 Sustainable Development Report, the Council would like to bring to the company's attention a number of aspects related to the informational relevance and completeness of disclosure that are essential for the stakeholders.

We recommend the company to consider these recommendations in subsequent reporting cycles.

The Report contains information about the plans and objectives of the company for the coming year and its growth strategy up to 2023. It is recommended that the subsequent report includes specific information describing the achievement of the set objectives in order to correlate the plans, targets and performance results as fully as possible.

Based on best practices of disclosing reporting information, it is recommended to present indicators in the key areas of corporate responsibility, sustainable development and the company's SDGs in the dynamics of not less than three years with simultaneous presentation of measurable benchmarks for the upcoming reporting period.

It should be noted that it is important to accompany data presented in dynamics with analytical comments that give a clear idea of the factors which influenced the significant changes in corresponding indicators, their decrease or increase. This applies, in particular, to the data on the dynamics of registered cases of occupational diseases provided in the Report. Such explanations will allow a better understanding of the processes occurring in the company.

The key theme of the Report – innovations – is worth a more complete disclosure and further development in subsequent non-financial reports. It would be useful to pay special attention to key areas in which the company implements innovative solutions, and the role of innovation in the implementation of Sakhalin Energy's strategy.

Long-term partnership projects with the participation of external stakeholders and the use of various mechanisms and technologies to implement social programmes are characteristic features of the Sakhalin Energy's social policy. In view of the experience gained by the company in managing long-term projects and stakeholders' need for information about the company's social performance efficiency, it is recommended to provide further data on the assessment of social effects, in particular grant projects, to include indicators that show the impact of the company's social investments on the formation and improvement of the social environment, the well-being of residents, and building the economic capacity of the territories.

It should be noted that in order to confirm correct application of the international documents for preparation of the Report, namely, non-financial reporting recommendations of the European Commission, it would be useful to specify, which recommendations and which provisions are used for company's reporting.

It is advisable to confirm the level of anti-corruption compliance stated in the Report by disclosing, in the subsequent reports, information on the internal control actions taken and/or the audit of targeted spending and the effectiveness of charitable and sponsor payments made by the company.

It is recommended to pay attention to possibly enhance the positive perception of reporting information by stakeholders by including examples of feedback containing their opinions of the company's performance in different areas of activity, significant for particular stakeholder groups, as well as material topics and topical issues on the public agenda relating to the company.

The RUIE Non-Financial Reporting Council expresses a positive opinion on the Report, and, supporting the company in its adherence to responsible business principles and noting the consistency of the reporting process development, confirms that the 2018 Sustainable Development Report of Sakhalin Energy Investment Company Ltd. has received public endorsement.



RUIE Non-Financial Reporting Council

Appendix 9. Abbreviations

ALARP	As Low As Reasonably Practicable
BAP	Biodiversity Action Plan
BoD	Board of Directors
BS-2	Booster Station 2
CED	Committee of Executive Directors
CSR	Corporate social responsibility.
ESHIA	Environmental, Social, and Health Impact Assessment
GRI	Global Reporting Initiative
HSE	Health, Safety, and Environment
HSES	Health, Safety, Environment, and Security
HSESAP	Health, Safety, Environment and Social Action Plan
IFC	International Finance Corporation
ISMS	Industrial Safety Management System
ISO	International Organisation for Standardisation
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature
IVMS	In-Vehicle Monitoring System
LNG	Liquefied Natural Gas
LUN-A	Lunskoye-A platform
MNR	Ministry of Natural Resources
MPC	Maximum Permissible Concentration
MPE	Maximum Permissible Emission
NGO	Non-Governmental Organisation
OET	Oil Export Terminal
OPF	Onshore Processing Facility
OSR	Oil Spill Response
PA-A	Molikpaq platform (Piltun-Astokhskoye-A platform)
PA-B	Piltun-Astokhskoye-B platform
PMD	Pipeline Maintenance Depot
PSA	Production Sharing Agreement
RAS	Russian Academy of Science
RUIE	Russian Union of Industrialists and Entrepreneurs
SCM	Supply Chain Management
SDGs	Sustainable Development Goals

SIM	Sakhalin Indigenous Minorities
SPZ	Sanitary protection zone
TLU	Tanker Loading Unit
UNDP	United Nations Development Programme
UNGC	UN Global Compact
WGWAP	Western Gray Whale Advisory Panel
WWF	World Wildlife Fund