



Nord Stream 2

Committed. Reliable. Safe.

Stakeholder Engagement Plan – Russia

Nord Stream 2 AG | Mar-19

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Abbreviations and Definitions

Aarhus Convention	Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, 1998
Affected communities	Local communities directly affected by the Project
Company	Nord Stream 2 AG
Contractor	Any legal entity or physical person providing services to the Company
Cumulative effect	Combined impact of several sources spread in space or combined impact of one source spread in time.
DI	Declaration of Intentions
EBRD	European Bank for Reconstruction and Development
Ecosystem services	The benefits obtained by humans from functioning of natural systems
ECo-I	Environmental and community initiatives strategy
EEZ	Exclusive Economic Zone
EIA	Environmental Impact Assessment
Espoo Convention	Convention on Environmental Impact Assessment in a Transboundary Context, 1991
Espoo Report	Report on environmental impact assessment in a transboundary context
FEED	Front End Engineering Design
IBA	Important Bird Area
IBRD	International Bank for Reconstruction and Development (World Bank)
ICP	Informed Consultation and Participation
ID	Information Disclosure
IFC	International Finance Corporation
MNR	Ministry of Natural Resources
NGO	Non-Governmental Organizations
NSP2	Nord Stream 2 Project
NSP	Nord Stream 1 Project
PTA	Pig Trap Area
PEER	Public Environmental Expert Review
ROW	Right-of-way
RSU	Rural Settlement Unit
SE	Stakeholder Engagement
SEP	Stakeholder Engagement Plan
SEER	State Environmental Expert Review
Stakeholders	Individuals or groups of individuals, who may be influenced in the course of a project or who may influence the development of a project.

Executive summary

Background to the Nord Stream 2 Project

The Nord Stream 2 Project (the “Project”) comprises the planning, construction and operation of a new strategic twin subsea pipeline (the “Pipeline”) that will connect European consumers with Russian gas fields. The Project will have the capacity to supply 55 billion m³ (bcm) of natural gas per year. The Pipeline has a planned length of approximately 1,230 km from Russia to Germany via the Exclusive Economic Zone (EEZ) and/or Territorial Waters of Russia, Finland, Sweden, Denmark and Germany (the “Project Countries”) in the Baltic Sea. The design, construction and subsequent operation of the pipeline are managed by Nord Stream 2 AG (the “Company”), which has been specifically established for this purpose.

Nord Stream 2 AG recognizes the importance of stakeholder engagement in building strong, constructive, and responsive relationships that are essential for the successful management of the Project’s environmental and social impacts. The objective of the Company’s stakeholder engagement process is to disclose information about the Project while also giving stakeholders the opportunity to provide their opinions and identify any concerns. The opinions/concerns submitted during the consultation process have been taken into account in the preparation and review of the Project’s environmental and social management plans, and during the development of the design of the Project.

Nord Stream 2 AG Approach to Stakeholder Engagement

The Company is implementing a stakeholder engagement process across the entire Nord Stream 2 Project, managed through a suite of country-specific SEPs applicable to each Project Country. The SEPs have been developed in a consistent manner in line with the requirements of the International Finance Corporation (IFC) Performance Standards (PS), while at the same time ensuring that country-specific regulatory requirements are met. The stakeholder engagement process commenced at the early stages of the Project development and will continue in an evolving manner throughout the entire Project lifecycle. To reflect this evolving process, the SEPs are “living” documents that will be updated as necessary throughout the Project’s lifecycle. The current version of the SEP was updated at the beginning of 2019 to include the start of the ongoing construction phase and finalization of technical design in Russia.

While the IFC PS requirements for environmental and social assessment and management are broadly aligned with the national EIA requirements in the five Project Countries, some differences exist requiring the development of additional assessments and plans (for example, in relation to cumulative impacts, ecosystem services and social impacts) in order for the Project to demonstrate compliance with the IFC PS.

Further updates of the SEPs will also be required as the Project evolves through construction, operation and decommissioning.

Personnel of the Project and contracting organizations are not considered within this plan. These managed through the environmental and social management plan for the Project, as well as other procedural documents.

Stakeholder Engagement in Russia

This SEP applies to the Project component located within the jurisdiction of Russia and covers the planning, construction, operation and decommissioning of the Project facilities.

Decommissioning activities will take place at the end of operation of the pipeline system and it is currently not possible to anticipate what methods may have to be employed. Therefore, it cannot be anticipated at the moment what risks could be associated with these activities and what engagement activities may consequently be required. An environmental assessment of the decommissioning activities, and an engagement plan updates, if warranted, will be prepared ahead of the planned interruption of pipeline operation, in accordance with the prevailing legal requirements at such time.

In addition, stakeholder engagement activities may also be appropriate in relation to third party “Associated Facilities” as defined in Section 1.3.

The structure of this Russian SEP is as follows:

- Section 1 contains a brief description of the Project within Russian jurisdiction and its operations including design elements and potential environmental and social issues.
- Section 2 contains a summary of the applicable major national and international legal requirements.
- Section 3 describes summary of key socio-economic and environmental aspects.
- Section 4 presents an overview of the identification of stakeholders.
- Section 5 presents a brief account of stakeholder engagement activities carried out to date.
- Section 6 contains an account of planned stakeholder engagement activities.
- Section 7 presents information on how stakeholder engagement data will be managed.
- Section 8 contains information on how the Company will manage the implementation of SEP and stakeholder engagement in terms of personnel/resources.
- Section 9 presents information on monitoring and reporting.

1 Brief Description of the Project

1.1 Project Overview

The Project comprises the construction of a twin subsea pipeline for the export of 55 billion m³ of natural gas per year from Russia via the Baltic Sea to a landfall at Lubmin in Germany. The Project will be based on the successful practice of construction and operation of the existing Nord Stream Project (NSP). The overall route of the Nord Stream 2 Pipeline is shown in Figure 1 below.



Figure 1 Overview of the Nord Stream 2 Pipeline Route

The proposed shoreline crossing location is the south western coast of Narva Bay in Kingisepp district of Leningradsky region. The Narva Bay route, that crosses southern part of Kurgalsky natural reserve, has been defined as the preferred option for the Russian landfall due to its lower environmental and social impact, compared to any other options that has been considered. This route has been proposed following a thorough analysis of technical, environmental and social constraints as well as Russian safety requirements for pipelines.

The route selection was a three-step process which established

- concern that it would not be technically feasible to lay additional infrastructure along the existing Gazprom onshore corridor to Portovaya Bay because of the required minimum safety distance between high pressure gas trunk pipelines and settlements. In particular, dense urban developments on the Neva river banks do not leave space for two additional pipelines and associated control and back-up infrastructure.
- that after careful evaluation of the entire Russian southern coast of the Gulf of Finland, only two alternative landfall options have been identified, both within the Kingisepp district.

- that out of the two landfall options in the Kingisepp region, the Narva Bay is the preferred option due to its smaller overall environmental impact and higher operational safety.

The components of the Nord Stream 2 Project within Russian jurisdiction are described in Section 1.2 below. The upstream supply of gas to the Project facilities in Narva Bay will be via a proposed new gas pipeline network and associated gas compressor stations that are not part of the Nord Stream 2 Project. These, and other relevant non-Project facilities/activities, are described in Section 1.3.

1.2 Nord Stream 2 in the Russian Federation

The Project components within Russian jurisdiction that are covered by this SEP are described below and include both offshore and onshore components.

Preparatory and construction works are currently underway in Russia, including laying the foundations for the landfall facilities. The company is also proceeding with optimised construction of the onshore linear section in Russia. In the Narva Bay, a 460m-long cofferdam is also being installed as part of the temporary construction works in the nearshore section. In the second quarter of 2018, a temporary camp was commissioned to accommodate construction personnel in the immediate vicinity of the site. The camp's systems, including electricity, water supply and sewage, function autonomously, so as to minimise the potential impact on local communities and pressure on infrastructure. The landfall facilities include service and operational zone and the Pipeline Inspection Gauge (PIG) trap area.

All project activities in Russia are being carried out based on the permits for construction and for the installation of an underwater pipeline in the territorial sea of the Russian Federation, issued in summer 2018 by the Ministry of Construction and the Federal Service for Supervision of Natural Resources (Rosprirodnadzor) respectively. As an integral part of the permitting process, Nord Stream 2 conducted an Environmental Impact Assessment (EIA) in compliance with Russian environmental protection legislation, additional regulations, and international law.

In 2018-2019, following finalization of detailed design, technical solutions and construction methods have been optimized to accommodate ground conditions, further enhance reliability and reduce impacts on the environment. The updates made to the project documentation are technical in nature and largely relate to the onshore and temporary facilities. Russian legislation requires all modifications, including improvements, to be reflected in the updated project documentation and approved in line with the established procedure by competent authorities prior to the commissioning of the gas pipeline. Nord Stream 2 initiated the corresponding EIA procedure by preparing an updated draft report and disclosing it to the public.

Offshore. The proposed Pipeline route within the Russian Territorial Waters is shown in Figure 2 below. Construction of the offshore section will be carried out by a pipelaying vessel which will be used to weld and then lay each pipeline on the seabed.

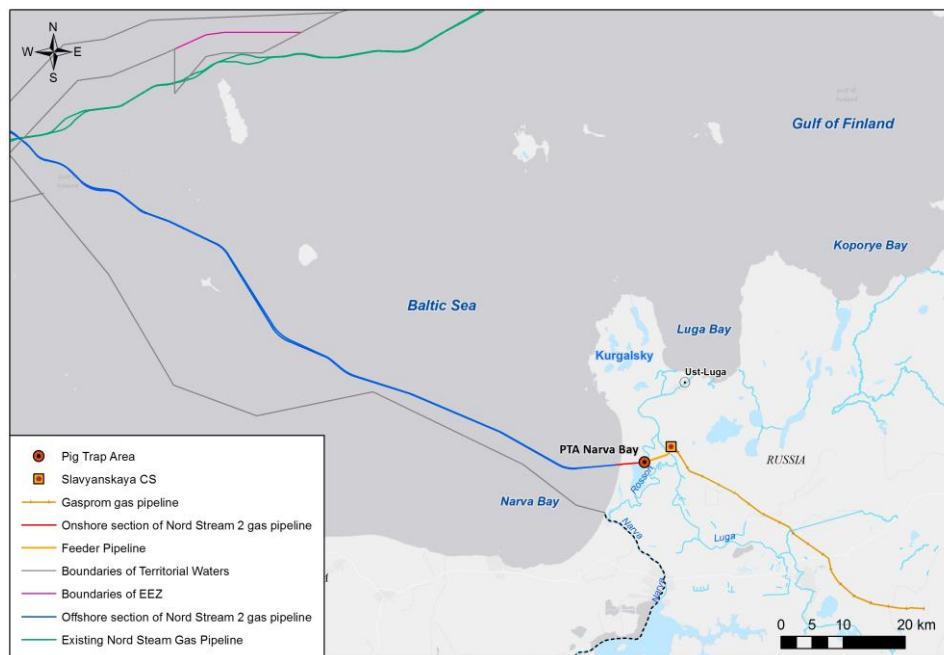


Figure 2 The Nord Stream 2 Pipeline Route in the Russian EEZ

In the nearshore sector, the pipelines will be buried entirely in the seabed to ensure that waves and sand movements will not affect their stability. This involves the excavation of a trench prior to pipe-lay, using dredgers of various types. The excavated materials are being removed, stored temporarily and will be used for backfilling where possible.

Onshore. The permanent facilities in the onshore section consists of:

- a fenced 6.25ha (250x250m) pig trap area (PTA), and
- buried pipeline section connecting the offshore pipeline to the PTA.

The company is proceeding with optimised construction of the onshore linear section in Russia. An innovative open-cut construction method, relying on trench boxes to minimise the width of the trench in which the pipe is laid, was designed specifically for the Russian section of the Nord Stream 2 pipeline that crosses approximately 3.7 km of the Kurgalsky nature reserve to reduce the width of the construction corridor and minimise potential impacts.

Nord Stream 2 has developed an innovative construction solution for this onshore section in recognition of the pipeline construction in the sensitive area at the shore-crossing and in response to the concerns raised by the public. The new construction solution relies on trench boxes to maintain vertical trench walls and reduce the width of the trench to the bare minimum. Leading international engineers developed the innovative trench construction method after careful consideration of all available technical options and local environmental conditions with the objective to ensure minimal environmental disturbance. The method allow the installation of the pipeline in a flooded trench, ensuring that groundwater levels during and after construction will be maintained. The amount of excavated material is reduced by 70 percent compared to a conventional unsupported trench. Almost no heavy equipment will be used on site for the pipeline's installation.

Construction of the onshore pipelines is confined within a narrow corridor of up to 60 meters wide. In the most sensitive habitat, the construction is performed only within the narrowest

feasible construction corridor with a width of 30 meters. Upon construction completion, the entire area will be reinstated. A 30-m wide corridor above the pipeline, or only 0.111 km², will be maintained free of trees and naturally vegetated, as required by the Russian safety standards that forbid planting trees over or near high pressure pipelines.

In addition to the permanent facilities, temporary onshore facilities will also be used during the construction phase:

- PTA construction area
- Workers accommodation camp and laydown area
- Temporary access roads

The onshore facilities are shown in Figure 3.

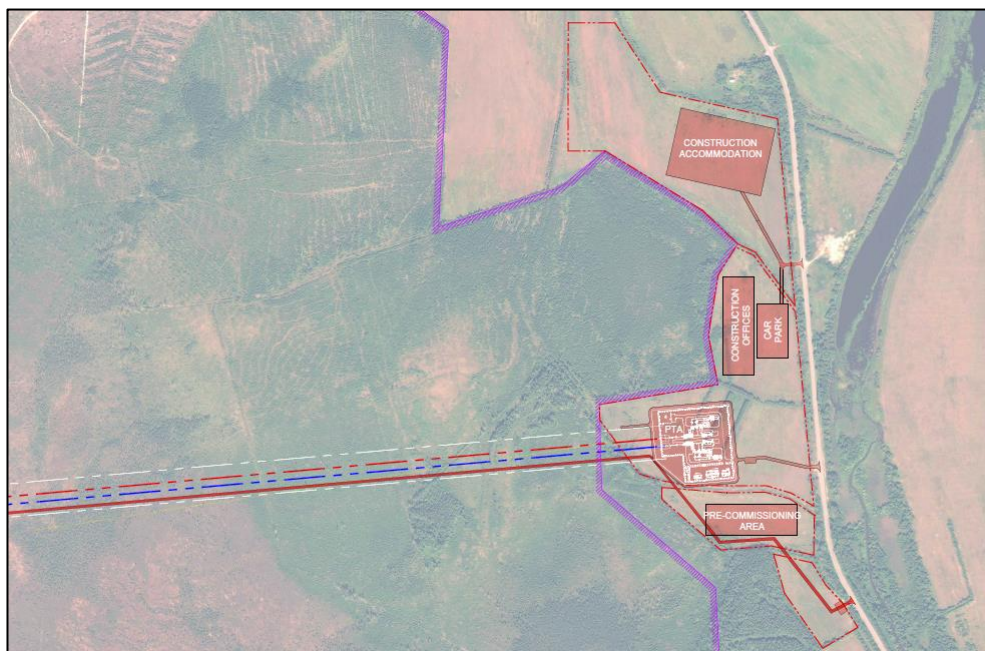


Figure 3. The Onshore Nord Stream 2 Project Facilities in Russia

The autonomous workers temporary accommodation camp is designed for the compact housing of Nord Stream 2 construction personnel **Figure 4**. It is located on agricultural land outside the Kurgalsky Reserve. The camp's systems, including electricity, water supply and sewage, function autonomously, avoiding the pressure on the existing infrastructure in the area. The proximity of workers temporary accommodation camp to the constructions site reduce the transportation of personnel and the pressure on the road infrastructure.



Figure 4. Temporary workers accommodation camp

Transport of pipes and equipment during the construction of the onshore facilities will also utilize existing transport infrastructure in the Kingisepp District and wider north-west Russia region, including roads and railways **Figure 5**.



Figure 5. Key public roads used for the transportation.

Only licensed road transport companies participate in the Nord Stream 2 project. All drivers have the appropriate rights to drive vehicles, regularly undergo medical examinations and safety trainings.

The Company will be the owner and operator of the offshore pipeline system. The Nord Stream 2 pipeline system will be monitored and controlled remotely, from the main control centre in Zug, Switzerland or, if the latter is unavailable, from a backup control center.

Planned maintenance and scheduled inspections will be carried out in accordance with statutory requirements and good international industry practice. Any large-scale maintenance activities will be performed during a yearly shutdown in non-winter months.

1.3 Relevant Non-Project Activities and Facilities

Associated Facilities are defined as facilities or activities that are not funded as part of the Nord Stream 2 Project and that would not have been constructed or expanded if the Project did not exist and without which the Project would not be viable. Associated Facilities in Russian sector include:

- the Slavyanskaya Compressor Station (SCS)
- The feeder gas pipelines between the SCS and the PTA

The project facilities and the associated facilities are shown in **Figure 6**, below

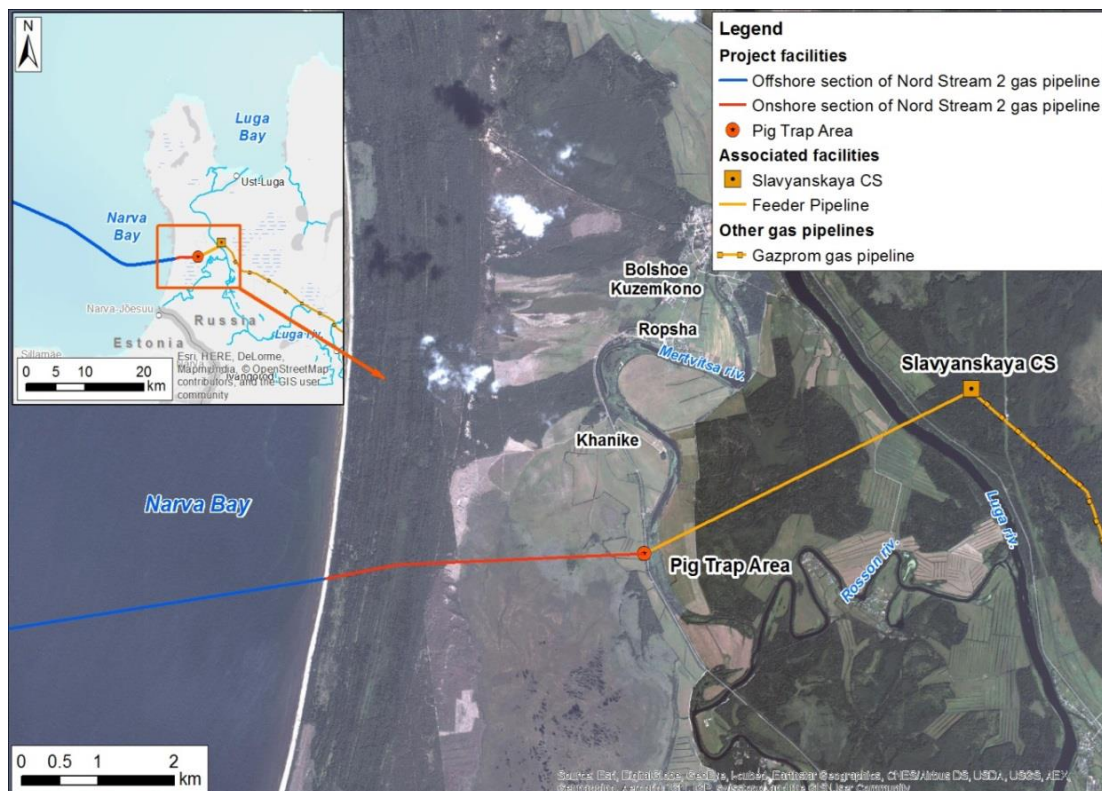


Figure 6 The Project facilities and the associated facilities in Russia

1.4 Stages of Project Implementation

The Project will be implemented in accordance with the following preliminary schedule:

- engineering and design – end of 2017
- E(S)IA and permitting – 2018 - 2019
- Construction - 2018-2019
- Commissioning - end of 2019
- Operation – 2020 onward (anticipated operating life of at least 50 years)
- Decommissioning – end of operational life

2 Applicable Stakeholder Engagement Requirements

The stakeholder engagement activities provided for in this SEP will be conducted in accordance with:

- National regulatory requirements (RF);
- Requirements of the international conventions;
- Standards and guidelines of the International Finance Corporation (IFC).

2.1 Russian Regulatory Requirements for Community Engagement

Article 42 of the Constitution of the Russian Federation grants citizens a right to favourable environment, accurate and reliable information on its condition, and to compensation of damages caused to their health or properties because of environmental violations.

The Urban Planning Code of the Russian Federation of 29.12.2004 No 190-FZ determines that development activities related to territorial planning and construction and upgrade of capital facilities must involve citizens and their associations through "public hearings".

Federal Law 'On Environmental Protection' (No. 7-FZ of 10.01.2002) specifies the obligatory requirement to take public opinion (opinion of the population) into account during site selection, design, construction and reconstruction of capital projects. The law states that:

- Economic and other types of activities impacting the environment should be conducted by engaging the public in the process of making the decisions that impact their rights to favourable environment, as per applicable legislation (Article 3).
- Public opinion should also be taken into account when making decisions on locating the facilities, which economic or other types of activity may harm the environment (Article 13).

Federal Law 'On Environmental Expert Review' (No. 174-FZ of 23 November 1995) states that the principles of the state environmental review procedure include publicity, participation of the public (public associations), and consideration of the public opinion (Art. 3). In addition, the state environmental review procedure requires that project documentation include reports on public consultations on the proposed activity organised by local government authorities (Art. 14, item 1).

Institutional requirements for and procedure of the public environmental expert review are described in Chapter IV, Articles 19-25. Applications for a public review can be made by the public or NGOs. If granted the public environmental review is to be conducted before or simultaneously with the state environmental review and NGOs have the right to receive from the project proponent a complete package of the project documentation subject to environmental review. Representatives of the public/ public organisations may also attend the meetings of the state environmental review board as observers.

The organisation conducting the public environmental review must inform the public about the beginning of the procedure and its results.

The conclusion of the public environmental review (if it takes place) is submitted to the state environmental review authority (federal or regional), project proponent, local government authorities, and other project stakeholders. This conclusion comes into force after the approval by the relevant federal authority.

The Federal Law of 24.04.1995 No 52-FZ "On Wildlife" ascribes citizens and legal entities, including community associations and religious organizations, with a right to conduct a public environmental expert review, perform public oversight, perform actions aimed at fauna and habitats protection and assist in implementation of relevant state programmes. State entities are obliged to account for citizens' and legal entities' propositions and recommendations while performing their duties in the field of wildlife use and protection;

Regulations on the Assessment of Environmental Impact of Proposed Economic and Other Activity in the Russian Federation (approved by the State Environmental Committee on 16.05.2000, Order No. 372) contains more detailed requirements for the organisation of public consultations on matters relating to the proposed activity within the framework of the EIA process.

In accordance with the Regulations, public consultations are organised by the local government bodies, with support from the project initiator:

- The project initiator informs the public and provides access to the relevant information, addresses questions, covers all the related expenditures and holds the overall responsibility for the process;
- The local authorities assist in arranging and holding meetings with the public (public hearings, referenda, conciliation committees, etc.).

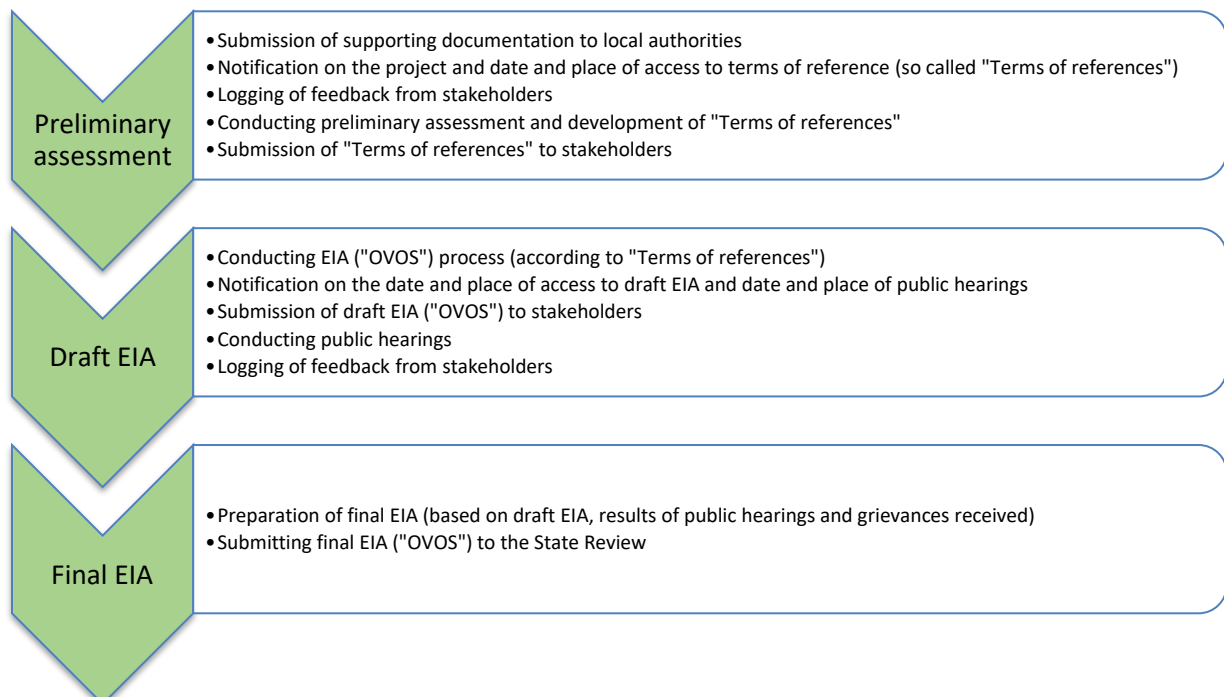


Figure 7 Stakeholder engagement activities during EIA process according to Russian legislation

2.2 Requirements of International Conventions

The gas pipeline route crosses the exclusive economic zones of four countries: Finland, Sweden, Denmark, and Germany, as well as the territorial waters of Russia, Germany, and Denmark.

Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention). The Espoo Convention promotes international cooperation and participation of the public when the environmental impact of a planned activity is expected to cross a border. It sets out the rights and duties of countries in assessing the likely environmental impact of a proposed activity. The Espoo procedure for the Project is proposed to run broadly in parallel to all the national EIA procedures.

Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention). The Convention regulates access to, time periods and form of distribution of information, as well as participation of the public in decision-making processes.

These conventions have not been ratified by the Russian Federation but their provisions will apply to the Project.

2.3 Performance Standards of International Financial Institutions

The IFC Performance Standards (revised in 2012) are internationally recognised standards on social and environmental sustainability, applied by the IFC (the private sector arm of the World Bank Group) and by a number of large commercial banks and Export Credit Agencies within the framework of the Equator Principles. Of particular relevance to the stakeholder engagement process is Performance Standard 1: “Assessment and Management of Environmental and Social Risks and Impacts”.

The key requirements of PS 1 pertaining to public engagement are the following:

- Identify and evaluate environmental and social risks and impacts of the project;
- Adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimise; and where residual impacts remain, compensate/offset risks and impacts to workers, affected communities and environment;
- Promote improved environmental and social performance through effective use of management systems;
- Ensure grievances from affected individuals, groups, and communities and external communication from other stakeholders are responded to and appropriately managed; and
- Promote and provide means for adequate engagement with affected communities throughout the project cycle on issues that could potentially affect them and ensure relevant environmental and social information is disclosed and disseminated.

Equator Principles III requirements applicable to public engagement are essentially contained in Principles 5 (Stakeholder Engagement), 6 (Grievance Management) and 10 (Reporting and Transparency), and in IFC Performance Standards 1 and 7 (2012), to which the EPIII make an explicit reference. Public involvement is to be considered an essential part

of any business venture and a way to improve project quality and delivery. Equator Principles requirements concerning public consultation are similar to IFC requirements.

2.4 Internal Policies and Standards

In accordance with the system of environmental and social management of Nord Stream 2, procedures and policies have been developed and implemented, which, among others, reflect the Stakeholder Engagement management process.

3 Summary of Key Socio-economic and Environmental Aspects

The engagement plan is based on the environmental and social aspects associated with the project and the potential risks to the environment and communities.

The key potential socio-economic and environmental issues associated with the preferable Project route have been identified as follows (these have been identified through the assessments undertaken to date, including impact assessment for the extension of the Nord Stream Gas Pipeline Infrastructure).

3.1 Community Health, Safety and Security

The Kingisepp district municipalities include the towns of Kingisepp and Ivangorod and nine rural settlement units (RSU): Bolshelutskoye, Falileevskoye, Kuzemkinskoye, Kotelskoye, Opol'yevskoye, Nezhnovskoye, Vistinskoye, Pustomerzhskoye, and Ust'-Luzhskoye. Settlements located near the proposed onshore Project facilities are listed in Table 1.

Table 1 Potential Project Affected Communities-Key Information

Community	Permanent Population ¹ (2015)	Proportion of Rural Settlement Population ²	Approximate Distance from the Landfall Section
Kuzemkinskoe Rural Settlement			
Strupovo	16	1%	5.5 km
Maloe Kuzemkino	15	1%	5.5 km
Bol'shoe Kuzemkino	911	67%	3 km
Udarnik	52	4%	1.5 - 2.5 km
Koleno (part of Udarnik)	no data	-	less than 1.5 km
Ropsha	82	6%	less than 1.5 km
Khanike	8	1%	less than 1 km
Volkovo	20	2%	2 km
Vanakyulya	37	3%	2.5 km
Fedorovka	26	2%	6 km
Keykino	91	7%	8.5 km
Dal'nyaya Polyana	1	0.1%	12 km
Izvoz	15	1%	13 km
Bol'shelutskoe Rural Settlement			
Novopyatnitskoe	260	7%	27 km
Pervoe Maya	113	3%	20 km
Pulkovo	38	1%	16.5 km

¹ 'Permanent population' refers to the population captured in official statistics. Temporary residents and visitors are not recorded in these official figures.

² The share of the number of community residents in the total number of rural settlement residents.

Community	Permanent Population ¹ (2015)	Proportion of Rural Settlement Population ²	Approximate Distance from the Landfall Section
Ust-Luzhskoe Rural Settlement			
Luzhicy	103	4%	15 km
Ust-Luga (7 blocks)	2408	83%	11 km
Preobrazhenka	114	4%	9.5 km

Key:

	Communities located within 2.5 km from the Project landfall area
	Communities along the access road over the Luga river bridge A-121 ('Access Route 1')
	Communities along the access road A-180 ('Access Route 2')

Sources: Information provided by Kingisepp District Administration.

The figures in the table show the size of the permanent population. Overall, permanent population in the area of influence is about 4,5 thousand people. All the communities also have temporary residents (dacha owners and visitors). The communities in the vicinity of the transport routes are shown in **Figure 8**.

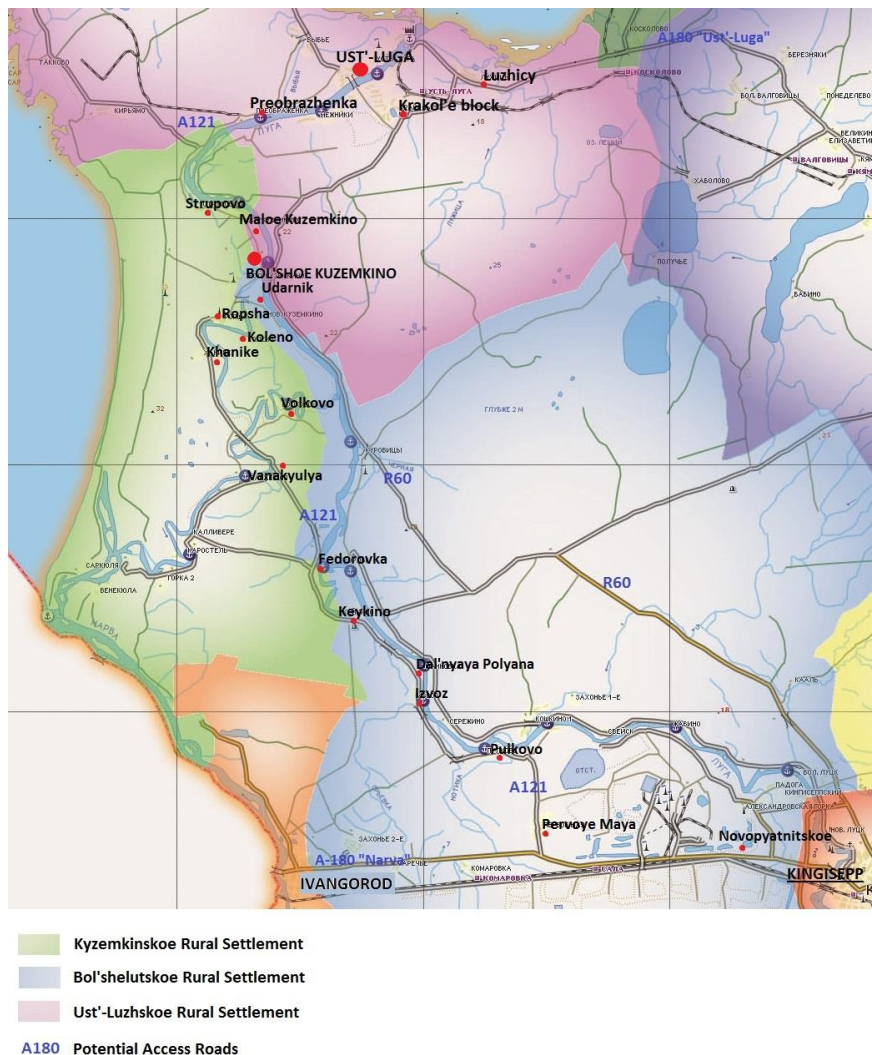


Figure 8 Potential Project Affected Communities

Community impacts are mostly associated with the construction phase of the Project:

- Increased traffic on the local roads network;
- Localised noise and atmospheric emissions from traffic and construction equipment;
- Visual nuisance associated with the presence of construction related infrastructure in close proximity of the public roads;
- Increased presence of people in the area and potential pressure on medical and social infrastructure.

The communities that are located along the traffic routes and in the proximity of the construction area, as defined above, are the key stakeholders for these issues. Communities include the permanent and seasonal residents. Vulnerable groups project are also stakeholders associated with this category of aspects. Communities interests are officially represented by the elected Deputies' councils and the Heads of Municipalities, the administrative duties are executed by local administrations. Community elders represent the local villagers.

In addition to potentially adverse impacts, the Project is expected to have beneficial effects on the economic prosperity of the area. Opportunities for communities stem from the need to source manpower and services during the construction phase of the project. Beneficiaries of the Project opportunities include the population of the Kingisepp district. NSP2 provides some 300 jobs opportunities for Kingisepp district local community. NSP2 contractors maintain up to date list of employment opportunities for potential local community involvement and use e.g. local social services for employment.

In addition, NSP2 has implemented its Environmental and Community initiatives strategy (ECo-I strategy) to provide benefits to local community in compensation of potential adverse impacts in accordance with the international standards.

Indigenous people. The landfall area in Russia is inhabited by the Izhorian and Vod indigenous group. Results of survey on modern state of the traditional culture and land-use of indigenous people in the project area of influence showed that these ethnic groups are to the higher extend integrated in the modern socio-economic life of the region, and are not depended in the livelihood on traditional economic activities, based on the natural resources use. One of the key areas for indigenous people near the landfall is Vistino rural settlement.

NSP2 take into account the potential vulnerability of IP, carried out dedicated survey and develop all Project activities within the applicable provisions of IFC PS7 standard and guidelines. Indigenous peoples in the area are represented by local organisations to promote traditional lifestyle, e.g. Izhora museum, Vod museum, Shoilkula NGO.

Vulnerable groups. Vulnerable groups are about 50 % of the permanent population and include following categories of the population, shown on **Figure 9**:

- Children
- Elderly
- Disabled or chronically ill
- Indigenous peoples (identified as vulnerable groups during the dedicated study, mentioned above)

The interests of vulnerable groups are represented by the leaders of municipal social services (schools, kindergarten, hospitals), Kingisepp district administration, public organisations e.g. Veteran council, Russian orthodox church, community leaders.

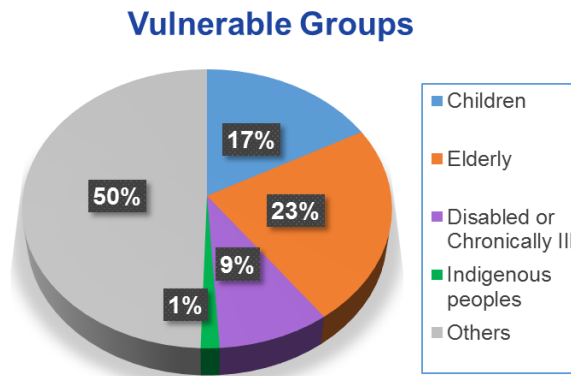


Figure 9. Vulnerable groups categories

3.2 Biodiversity

Onshore Project components of the Project route traverse the Kurgalsky nature reserve. Kurgalsky natural reserve is a regionally protected area and an internationally recognised area under the Helcom and Ramsar conventions. The Narva Bay route through the southern, marginal part of the Kurgalsky reserve has been defined as the preferred option for the Russian landfall due to its lower environmental and social impact, compared to any other options that has been considered. This route has been proposed following a thorough analysis of technical, environmental and social constraints as well as Russian safety requirements for pipelines. Narva Bay is the preferred option due to its smaller overall environmental impact and higher operational safety.

Construction activities would impact some 0.1% of Kurgalsky reserve. The route crosses only 3.7 km in the southern, marginal territory of the reserve. Part of the proposed route goes through the modified areas such as young plantation forest on burned or otherwise degraded forest areas. Construction will not lead to the destruction of habitat of rare species of flora and fauna. Sensitive areas, such as the Kurgalsky reef and the Kader swamp are avoided as much as possible. In the most sensitive habitat, the construction is performed only within the narrowest feasible construction corridor with a width of 30 meters. Upon completion of construction activities, the entire area will be reinstated.

The number of locations of red data book species (plants, mosses, lichens) were identified within construction corridor. Most of the red data book species were relocated to the new locations of the same landscape features, based on the permits received, and are being monitored.

As a responsible project developer, Nord Stream 2 is committed to implementing the project in compliance with the Performance Standards on Environmental and Social Sustainability of the International Finance Corporation (IFC PS), which go beyond local regulatory requirements and ensure compliance with the highest sustainability standards. In line with these standards, we aim to avoid, minimize and compensate impacts and eventually achieve a net-positive gain of the conservation value of the Kurgalsky reserve.

The nature conservation areas in the near vicinity of the Project in Russia are shown in Figure 10 below.

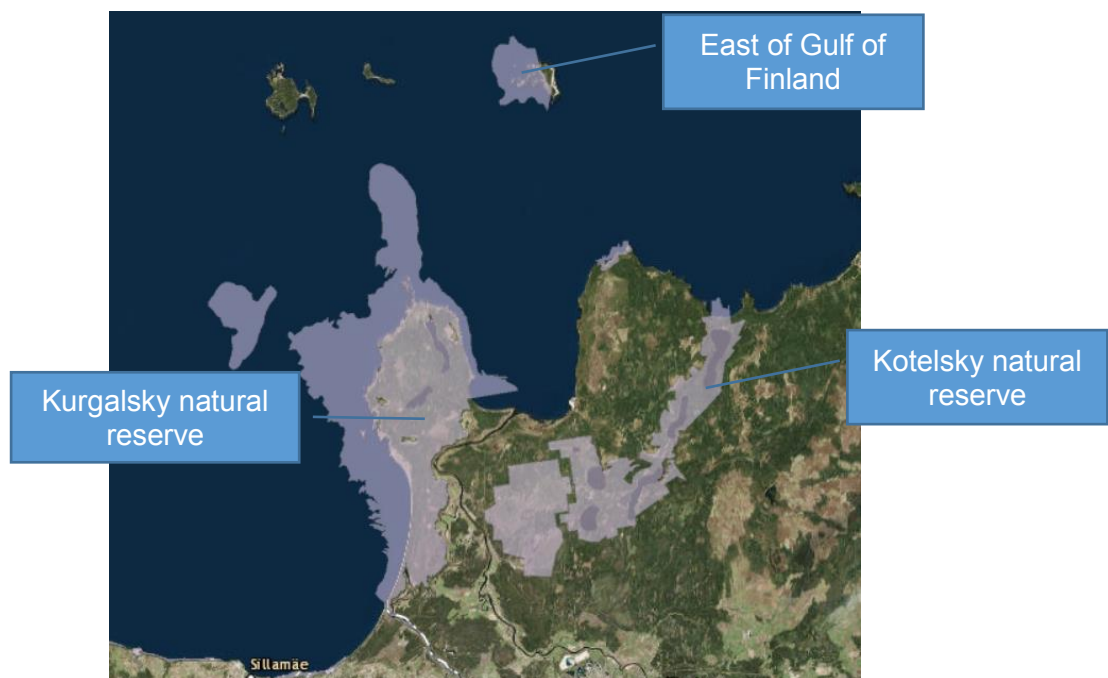


Figure 10 The nature conservation areas in the near vicinity of the Project

3.3 Landowners

Construction of permanent and temporary project facilities require a long-term and short-term acquisition/ lease of agricultural and forest land³. The agricultural lands belong to Pribrezhnoye CJSC. The lease, rehabilitation, and compensatory payments is performed in accordance with the national legal requirements and agreements between the parties concerned. The forest land lease is regulated by the Kingisepp Forest Administration under the supervision of the Committee on Natural Resources of Leningrad Region.

A few vacation homes (dachas) are located near the PTA area and may experience nuisances during construction. The closest house is located 830 m from the permanent Project facilities and next door to the temporary workers accommodation camp. NSP2 engages the nearby house owner and has implemented the agreed measures to ensure safety and security, e.g. fencing of the land plot.

3.4 Ecosystem Services

The role of the fishery sector in the economy of Kingisepp district is minor. The nearshore area of the Gulf of Finland is divided into sectors for commercial fishing. No lease agreements have been concluded for sectors the Project pipeline will cross. Although small scale commercial fishing is known to take place in the waters affected by the Project activities.

Forecast water sediment spreading due to project construction activities does not reach spawning areas, located 3.7 km away. Based on the detailed modelling, fish damage was calculated and approved by relevant authorities. Compensation program will be developed

³ IFC PS5 is not triggered due to "willing seller-willing buyer" nature of the transactions both for the project and associated facilities.

and implemented during construction and operation in consultations with relevant stakeholders.

The project area of influence is not intensively used for tourism, its potential in this respect has been verified through social studies that have been performed by Nord Stream 2 AG. Similarly, the area is known for its hunting potential and for the presence of berries and other forest produce.

3.5 Cultural Heritage

Cultural heritage findings were made for both the onshore and offshore sectors of the pipeline.

In compliance with legal requirements, NSP2 has involved certified archaeologists to commission the dedicated studies and conservation activities both for on-shore and off-shore sections. Identified sites of archaeological interest within the off-shore corridor were processed by the archaeologists of Russian Academy of Science following the procedure and in cooperation with Kingisepp historical museum. During construction archaeologists are involved to supervise the construction activities in the vicinity of on-shore cultural heritage sites.

The specific procedure to manage chance finds was adopted by NSP2.

3.6 Marine Infrastructure and Military Activities

The project construction activities and the location of the pipeline system will overlap with shipping lanes. There are five main shipping traffic routes that may interact with the offshore Project. Ust-Luga port is used for the shipping of loads and personnel.

Communication cables are crossed by the offshore section of the pipeline. The companies that own and operate the cables are the stakeholders for this aspect.

Munitions clearance is under the jurisdiction of the competent authorities, specifically the Russian Ministry of Defence.

3.7 Transboundary Aspects

The project is constructed in the vicinity of Russia's national border with Estonia and Finland. The relevant Conventional officials, as well as other potentially affected stakeholders were consulted as part of the Espoo consultation process.

3.8 Compensation Measures (ECo-I Strategy)

As part of its commitment, NSP2 has developed and implements a comprehensive Environmental and Community Initiatives Strategy (ECo-I Strategy) for the Russian landfall to ensure sustainable project implementation and benefits for the environment and communities in accordance with the international standards. The Environmental and Community Initiatives strategy of Nord Stream 2 envisages a range of measures and activities aimed at environment conservation, biodiversity preservation and development of social infrastructure. The ECo-I Strategy is focused on Kingisepp district territory and Gulf of Finland marine environment. The aim of the strategy is to ensure a positive effect in a long term for the environment and local communities considering a combination of environmental and socio-economic factors, assessed by specialised Russian and international consultancies.

The proposed Environmental and Community Initiatives (ECo-I) Strategy is based on four pillars and represents a holistic approach to statutory compensations, biodiversity enhancement, community initiatives and sponsorship. It reflects the company's long-term commitment to offset any adverse effects that the project might have, in accordance with Russian legislation and international standards.

4 Identification of Stakeholders

4.1 Overview

Stakeholders are individuals, groups, or organization who:

- May be directly or indirectly, positively or negatively impacted by the Project;
- May be interested in the Project, have environmental and social interests that may be impacted in the course of the Project, or may potentially influence Project implementation in certain ways.

The Project stakeholders may be subdivided into international, state (federal), regional, and local stakeholders.

In order to ensure an efficient and targeted stakeholder engagement process, the following classification has been introduced in compliance with the IFC performance standards:

- **Affected stakeholders:** individuals, groups and organizations directly influenced by the Project (actually or potentially, positively or negatively). Affected stakeholders include vulnerable groups: individuals that may be disproportionately impacted by the Project or eventually find themselves in a disadvantaged position in comparison with other public groups due to their vulnerable position. Interaction with these groups may demand additional efforts to ensure that such groups have equal representation during consultations and in the decision-making process.
- **Interested parties:** individuals, groups and organizations who are not necessarily directly affected by the Project but believe that the Project may somehow affect their interests and/or are capable of influencing the Project in any way.

Parties that may be affected by transboundary impact. According to the Espoo Convention, these include:

- 'Party of origin' means the Contracting Party or Parties to this Convention under whose jurisdiction a proposed activity is envisaged to take place. Although not a signatory to it, the Russian Federation has committed itself to the principles of Espoo Convention and will act as the Party of origin.
- 'Affected party' means the Contracting Party or Parties to this Convention likely to be affected by the transboundary impact of a proposed activity. For the Nord Stream 2 Project the affected parties consist of Finland, Estonia, Latvia, Lithuania, Poland, Sweden, Denmark, and Germany.

Stakeholder identification has been made, firstly, through the consideration of the potential stakeholder relevant to each of the key Project socio-economic and environmental issues described in Section 3. Secondly, stakeholders have been identified based on the experiences

of the first Nord Stream project and during the project extension phase. Thirdly, stakeholders are being identified, taking into account the to-date engagement process.

Stakeholders are identified through consideration of both groups/individuals that may be influenced by the Project and those that may influence the Project. Prioritisation is generally given to Project Affected stakeholders.

The stakeholder list is reviewed periodically and updated as necessary through the lifecycle of the Project to reflect new information and the evolving status of the Project.

The categorises of stakeholders at the local, regional, national and international levels are summarised in Attachment 1, broken down by Interested parties, Affected Stakeholders and Vulnerable groups.

4.2 Affected Stakeholders

Following groups of Affected Stakeholders, e.g. directly or indirectly affected, were identified:

- Local community, indigenous peoples and vulnerable groups representatives
- Local authorities
- Land owners
- Commercial enterprises, incl. fishing
- Cable owners.

The identification of Affected Stakeholders through consideration of each of the relevant key socio-economic and environmental issues is presented in Table 2.

Table 2 Identification of Affected Stakeholders



Socio-economic / environmental aspect	Affected Stakeholders
Community Health, Safety, Security	<p>Local administrations:</p> <ul style="list-style-type: none"> • Bolshelutskoe administration • Kuzemkino administration • Ust'-Luga administration • Vistino administration <p>Local communities as identified in Section 3.1., Deputies councils, Heads of Municipalities, and settlements elders</p> <p>Hanike villagers, house owner in the vicinity of landfall construction.</p> <p>Organisations, represent the interests of indigenous people:</p> <ul style="list-style-type: none"> • Izhora museum • Shoikula ethnic community • Vod museum <p>Commercial enterprises: Ust'-Luga port</p> <p>Medical services:</p> <ul style="list-style-type: none"> • Bol'shoe Kuzemkino Outpatient Clinic • Ust'-Luzhskoe Hospital • Kingisepp District Hospital <p>Cultural organisations:</p> <ul style="list-style-type: none"> • Bolshoe Kuzemkino cultural center NaRusi. • Kingisepp house of culture <p>Vulnerable groups:</p> <ul style="list-style-type: none"> • Krakol'e school • Bol'shoe Kuzemkino Kindergarten • Veteran council • Russian orthodox church, social department
Landowners	<p>Land owners:</p> <ul style="list-style-type: none"> • Pribrezhnoye CJSC (agricultural land owner) • Kingisepp Forest Administration (forest lands)
Ecosystem services access	<p>Kingisepp regional forestry authorities</p> <p>Rosson children camp</p> <p>Fishing companies:</p> <ul style="list-style-type: none"> • LLC "Uniks", • IE Kiruchun • IE Kromkin • Reymosar LLC

Socio-economic / environmental aspect	Affected Stakeholders
	<ul style="list-style-type: none"> Pirs LLC , etc. <p>Local communities as identified in Section 3.1.</p> <p>Organisations, represent the interests of indigenous people and indigenous people households</p>
Cultural heritage	<p>Local communities as identified in Section 3.1.</p> <p>Local cultural organisations</p> <ul style="list-style-type: none"> Izhora museum Vod museum Kusemkino museum Narusi cultural organisation <p>Organisations, represent the interests of indigenous people and indigenous people households</p>
Marine infrastructure	<p>Ust'-Luga port</p> <p>Shipping companies</p> <p>Responsible authority will be informed by Nord Stream 2 AG: Federal State-Funded Institution "Rosmorrechflot Sea rescue service"</p> <p>Cable owners:</p> <ul style="list-style-type: none"> Department of Advanced Technology UPT
Military activities	Russian Baltic Fleet
Compensation measures	<p>Local communities as identified in Section 3.1., Deputies councils, Heads of Municipalities, and settlements elders</p> <p>Hanike villagers, house owner in the vicinity of landfall construction.</p> <p>Organisations, represent the interests of indigenous people:</p> <ul style="list-style-type: none"> Izhora museum Shoikula ethnic community Vod museum <p>Medical services:</p> <ul style="list-style-type: none"> Kingisepp District Hospital <p>Cultural organisations:</p> <ul style="list-style-type: none"> Bolshoe Kuzemkino cultural center NaRusi. <p>Vulnerable groups:</p> <ul style="list-style-type: none"> Krakov'e school

Socio-economic / environmental aspect	Affected Stakeholders
	<ul style="list-style-type: none"> • Bol'shoe Kuzemkino kindergarten • Veteran council • Russian orthodox church, social department • Children creativity center
Transboundary impacts	Estonian fishermen are identified as affected stakeholders. Approximately 25 trawlers are in the Estonian fishery fleet, managed by Estonian Fishermen Association.

Vulnerable groups. Involvement of vulnerable individuals in consultations and discussions held by the Company is an important factor of success to ensure maximum engagement of the public in cooperation.

Interaction with vulnerable groups and individuals often requires the use of special methods and supporting them to ensure better engagement in the decision-making process. Engagement with these groups is conducted in coordination with the social services of local authorities, leaders of public organisations – represent the interests of vulnerable groups.

4.3 Interested Parties

Interested parties include groups that are not affected by the Project, including the following (see Attachment 1 for further details of specific Interested Parties identified):

- Government stakeholders: regional and federal supervisory and executive authorities, including divisions and territorial departments for minorities, environmental management and protection (including water resources, forestry, hydrometeorology, and subsoil management), for consumer rights and wellbeing protection, technical supervision, emergency recovery, social protection, employment, and cultural heritage.

Governmental Stakeholders include authorities, responsible for Project permits and construction supervision in accordance with legal requirements:

Federal Authorities

- Ministry of Natural Recourses and Environment
- Ministry of Energy
- Ministry of Construction
- Federal Service for Supervision of Natural Resource Use
- Federal Service for Technical Supervision
- Federal Agency of Water Resources
- Federal Agency of Fishery
- Federal Service for Supervision of Consumer Rights Protection and Human Welfare

Regional Authorities

- Government of Lenigradsky Region
- Committee on Natural Resources of Leningrad Region
- Committee on State Environmental Control
- Committee on Municipal governance

District Authorities

- Kingisepp district administration (responsible for local communities' involvement in formal public consultation)
- Kingisepp forestry

Other authorities will be informed on Project matters as appropriate following legislative requirements. Detailed list is included in the Attachment 1.

- Convention Officials: Ministry of Natural Resources (Russian focal point in international conventions: Espoo, Helsinki convention, Ramsar convention); affected countries representatives in international conventions.
- Public organizations:
 - regional, national and international non-governmental organisations aimed at protecting environmental, social and economic interests of the population and the rights of Indigenous peoples.
 - cultural organizations; scientific and research organizations and laboratories, and educational institutions: schools, universities, academies;
 - public organizations and representatives of the countries that may be under transboundary impact during the Project as per the Espoo convention;
- Business representatives: operators of other projects and associated facilities within the potential cumulative effect (incl. PAO Gazprom);
- Mass media and the initiative groups related to them, including local, regional, and national printed and broadcasting mass media, social media.

Table 3. Identification of Interested parties

Socio-economic / environmental aspect	Interested parties
Biodiversity and Environment	<ul style="list-style-type: none"> • Federal and regional authorities • Convention officials: Ministry of Natural Resources, HELCOM representative - FC "Mineral" • Federal program "Business and Biodiversity" • NGOs: WWF Russia, Greenpeace Russia, Coalition Clean Baltic and its regional members, Marine Mammals Council, Wetland international, Baltic fund for nature, IUCN, Russian Bird Conservation Union, Ecological human rights center "Bellona" in St. Petersburg, Baltic Ringed Seals Foundation, All Russian Society for Nature Conservation, Vernadsky Fund, Pro mare, Razdelniy sbor, Russian Geographical Society • Initiative groups related to mass media: Association of eco journalists • Cultural organizations: Russian Academy of Science, Botanical Institute, Soil museum, St.Petersburg university, All-Russian institute of Fishery (VNIRO), Hydrological Institute, VNII "Ecology", Peter the Great University

Socio-economic / environmental aspect	Interested parties
	<ul style="list-style-type: none"> Business: "Rosterminalugol", EuroChem "Phosphorit"
Cultural heritage	<ul style="list-style-type: none"> NGOs: Coalition Clean Baltic members, Baltic Fund for Nature, Russian Geographical Society Cultural organizations: Kingisepp historical museum, Russian Academy of Science, Cultural heritage public protection, preservation and use Department of Leningrad region Culture Committee
Transboundary impacts	<ul style="list-style-type: none"> Espoo Convention officials Authorities: Estonian Ministry of Foreign Affairs Scientific and research organizations and laboratories: Marine System Institute, Tallinn University of Technology, SYKE NGOs: CCB, WWF, Greenpeace Russia, Pro mare,
Marine infrastructure	<ul style="list-style-type: none"> Cultural organizations: St. Petersburg Polytechnic university, North-west marine spatial planning institute "Ermak" Authorities: Federal State-Funded Institution "Rosmorrechflot Sea rescue service"
Compensation measures and ECo-I	<ul style="list-style-type: none"> Cultural organisations: St.Petersburg Research Center of Russian Academy of Science, Institute of Limnology of the Russian Academy of Science, Zoological Institute of the Russian Academy of Sciences, St.Petersburg University, Leningrad Region university by A.S.Pushkin, All-Russian Plant Institute, HELCOM operator FC "Mineral" NGOs: Russian Geographical Society, Baltic Ringed Seals Foundation, Clean Vuoksa, Baltic Fund for Nature Fishery experts Commercial organisations: Fertoing, Ecoproject, Rosterminalugol, Leontief center Local experts Kingisepp center for children creativity Kingisepp volleyball federation

5 Stakeholder Engagement Activities Undertaken to Date

Stakeholder engagement activities have been implemented since the early stages of the Project in 2012 and have included discussions in the context of an extension to the Nord Stream project. Since the launch of the Nord Stream 2 project in 2015, a renewed focus has driven the consultation and engagement activities.

Stakeholders engagement activities, undertaken to date, covered identified environmental and social aspects of NSP2 project and were implemented mostly in accordance with the approved Stakeholder Engagement Program. Key activities are specified below:

- Initial engagement on data collection and potential impact assessment (incl. Marine Survey Program consultations and public hearing)
- Formal EIA and permitting engagement activities, incl. experts and NGOs consultations, local communities and affected stakeholders consultations, Espoo and conventional officials consultations
- Engagement for construction
- Engagement for compensation measures and ECo-I strategy

5.1 Initial Engagement on Survey Data Collection.

For the purposes of data collection and establishment of initial relationship with the Stakeholders project, with the support of its contractors, carried out more than 80 interviews with local and regional authorities, business representatives, land owners, local communities, ecosystem services users, indigenous peoples. Company participated in number of meetings with federal and regional authorities.

During surveys and potential impact assessment, project and its contractors engaged reputable environmental, social, cultural experts. The large amount of data was analysed in the EIA and project documentation submitted for SEER in accordance with Russian legal requirements. Additional consultations with experts and responsible authorities were carried out for the purposes of Critical habitat and Ecosystem services assessment for the project.

Marine Surveys Permit was obtained in March 2017. In accordance with the national requirements NSP2 and its contractor has carried out formal EIA engagement procedure for: (1) preparation of the final Terms of Reference EIA Marine survey program, (2) consultation and public hearings on draft EIA, (3) preparation of final EIA.

5.2 Formal EIA and Permitting Engagement.

As envisaged by Russian legislation, the EIA procedure has several stages: development of the EIA Terms of Reference, development of draft EIA and EIA procedure, development of final EIA for State Environmental Expert Review. Stakeholders were timely notified in compliance with national legal requirements and broadly via target information distribution.

The Draft Terms of Reference for the development of the Environmental Protection Measures, including the EIA, was released for public review on April 12, 2017. Public consultations were held for 60 days since the disclosure date through collecting comments and proposals. In addition to the Draft Terms of Reference, company has disclosed the set of materials prepared by independent environmental consultants: Environmental Impact Assessment Program, Assessment of alternatives for the Russian part (2 reports), Independent public review of Assessment of Alternatives reports.

The draft EIA report, based on the offshore and onshore environmental surveys results, concept note as well as Non-Technical Summary and a journal for registering public feedbacks were made available for public consultations in four public liaison offices on 4 August 2017 for 60 calendar days. A public hearing was held on 4 September 2017 in Kingisepp, notification

on public hearings were distributed 30 days prior to the public hearings. About 100 participants took part in the meeting, incl. associated facilities operator PAO "Gazprom". Public consultations and collection of comments were ongoing for 30 days after the public hearings and were completed on 4 October 2017. <https://www.nord-stream2.com/media-info/news-events/nord-stream-2-will-not-have-significant-impact-on-kurgalsky-reserve-69/>

The Final EIA Report for the offshore and onshore parts has been developed based on the Stakeholders comments, remarks, and proposals, including relevant comments submitted during Espoo consultations. All the comments, answers and explanations by the project developer, as well as minutes of public hearings, were included in the materials of public consultations and in the documentation package submitted for State environmental expert review (SEER) in late November 2017. <https://www.nord-stream2.com/media-info/news-events/nord-stream-2-submits-final-eia-report-in-russia-75/>

The positive conclusion of State Environmental Expert Review was approved by environmental permitting authority (Rosprirodnadzor) at a Federal level in January 2018. The positive conclusion is based on findings of the expert commission's review of the final EIA, project documentation (138 volumes), including: technical description, EIA and a comprehensive program of mitigation and compensation measures, survey results, and public consultation materials. In addition, and as mentioned in the SEER conclusion, expert commission has considered the results of 'public expert' environmental reviews (<https://yadi.sk/d/rugbul1h3RTEmr>, http://niipe.com/?ELEMENT_ID=83) were initiated in parallel. Rosprirodnadzor has provided its official position to federal media <http://tass.ru/obschestvo/4903602>.

In August 2018, the Federal Service for Supervision of Natural Resources (Rosprirodnadzor) issued a permit for the installation of an underwater pipeline in the territorial sea of the Russian Federation. In early June 2018, the Ministry of Construction of the Russian Federation issued a permit for the construction of the Nord Stream 2 gas pipeline section in Russia.

On 7 March 2019 Nord Stream 2 AG has published an updated draft environmental impact assessment (EIA) report following finalisation of detail design, as well as optimisation of engineering solutions and construction methods for the Russian section. Technical solutions and construction methods have been optimised to accommodate ground conditions, further enhance reliability and reduce impacts on the environment.

Russian legislation requires all modifications, including improvements, to be reflected in the updated project documentation and approved in line with the established procedure by competent authorities prior to the commissioning of the gas pipeline. In accordance with Russian law, the updated draft EIA report and Environmental monitoring programme has been disclosed for 60 days public consultation period. Public hearings were held on 9 April in Kingisepp.

Environmental experts and NGOs consultations during permitting phase were held in compliance with international standards. Nord Stream 2 has extended the frames of formal public consultation procedure and has held extensive information meetings and consultations with non-governmental environmental organizations and experts. During individual and group meetings various environmental aspects of the project were considered. The results of consultations are being addressed in the final EIA and project documentation, project management plans and procedures.

NSP2 started NGOs engagement since the earliest stage and carried out some 30 individual informational meetings and consultations with NGOs on different topics: project information, route alternatives, environmental and social aspects and impact assessment, compensations, etc.

Key group meetings and round tables with experts and environmental NGOs to date in Russia, were carried out by NSP2 to inform on the project and discuss its environmental and social aspects:

- Round table “Route selection and Biodiversity conservation” (May 2017), <https://www.nord-stream2.com/media-info/news-events/nord-stream-2-and-environmental-ngos-discuss-route-selection-in-russia-51/>. Consultations with environmental organizations and experts on route selection and biodiversity conservation were initiated by NSP2 with the assistance of the WWF Russia on 18 May 2017 in the frame of public consultation procedure. Associated facilities operator PAO “Gazprom” participated in round table. Following the results of a round table in May–August 2017, consultations on route selection were held at the expert level with Monitoring BPS, LCC “Gazpromproektirovanie”, NSP2.
- IUCN “Business and Biodiversity” program and Ramsar convention meeting, organised with the participation of Baltic Fund for Nature. During the meeting, NGOs and NSP2 discussed project progress, route selection, potential environmental impacts and compensations, as well as possible interface between the organisations.
- 4 focus groups meetings on biodiversity issues and draft Russian EIA (August 2017). Some 30 experts from more than 10 scientific institutes and environmental NGOs including the Russian Academy of Sciences, St Petersburg State University, National Research Institute of Lake and River Fisheries, Russian Bird Conservation Union, Marine Mammals Council, Monitoring BPS, Baltic Fund for Nature, the Baltic Ringed Seal Foundation were involved in detailed focus group discussions of the draft EIA report and the results of comprehensive environmental surveys, including critical habitat assessment. Nord Stream 2 and the experts agreed concrete recommendations to be taken into account in the final version of EIA documentation. The recommendations are included in the materials of public consultations and in the final documentation package submitted for State Environmental Expert Review (SEER) in late November 2017

Local communities’ consultations during permitting phase were held from July 19 to August 28. Group meetings were held under the authority of the Committee for Local Government, International and Interdenominational Relations of Leningrad Oblast, with the support of the Kingisepp district administration, rural settlement administrations and with the participation of community elders. Community leaders were notified about upcoming consultations in advance, notifications were placed in public places. More than 200 people participated in the group meetings in four rural settlements (**Figure 11**).

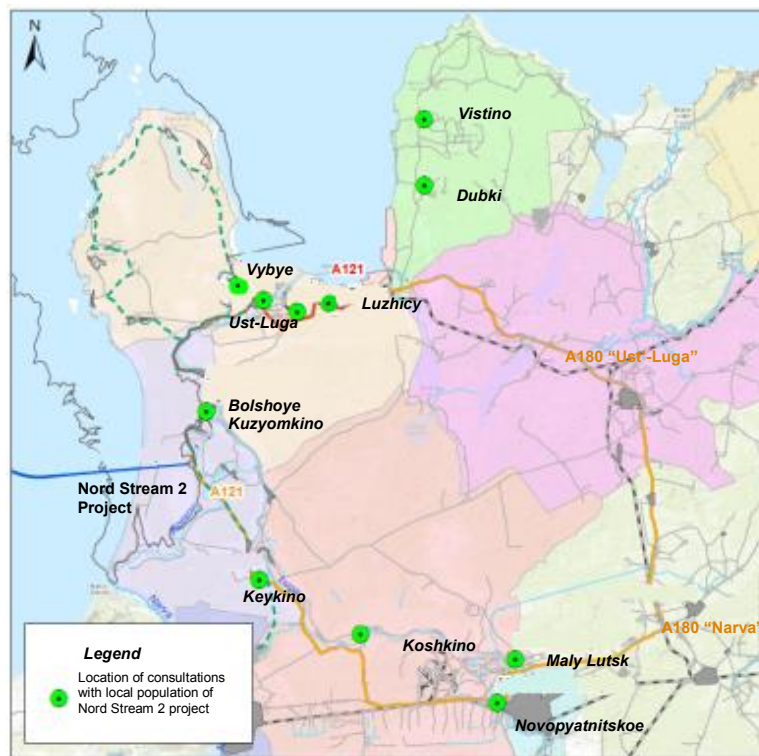


Figure 11 Locations of community meetings in the Project area of influence in 2017

At the meetings with the local community, representatives of Nord Stream 2 AG informed on the project facilities and panning progress, project schedule and assessment of environment and social impacts, possible contribution to the region's sustainable development. Issues and concerns were recorded in the meeting protocols and are being considered in accordance with Nord Stream 2 AG's competence. Hanike villagers target information on NSP2 and distribution of NSP2 contacts and information materials was carried out in August 2017.

To support public consultations on optimisation of technical solutions and construction methods, launched on 7 March 2019, NSP2 has organised community meeting onsite to explain the details of project update, EIA and proactively involve community in consultations. The meeting took place on 26 March in order community could have time to familiarize themselves with the disclosed documentation. In accordance with Russian law, the updated draft EIA report and Environmental monitoring programme has been disclosed for 60 days public consultation period.

Espoo consultation. As a project in a transboundary context, the Nord Stream 2 pipeline is subject to international conventions and national legislation in each of the countries through whose waters it passes. Nord Stream 2 is subject to the Espoo Convention on the Environmental Impact Assessment in a Transboundary Context. Russia has signed but not ratified the Espoo Convention, however, Russia acts as a Party of Origin as far as it considers it possible according to its legislation.

The Espoo Report, including a comprehensive Map Atlas as well as a Non-Technical Summary prepared for the non-specialist reader, has been a key element of the public participation process for Nord Stream 2. The relevant national authority has organised public participation, information meetings and other means of consultation on the Espoo Report

according to the national legal requirements. In Russia Espoo report was disclosed on 7th April via NSP2 and Ministry of Natural Resources and Environment web-site, in public liaison office in Kingisepp, in NSP2 offices. Public hearings took place on 30th June 2017 in Kingisepp and was chaired by Russian Federation Espoo convention official. The notification was published 30 days before public hearings in federal, regional, local media. About 200 participants took part in public hearings in Russia, incl. federal, regional and local authorities, environmental experts and NGOs, local communities, media, associated facilities operator PAO "Gazprom", local business.

All stakeholders were provided with the opportunity to submit their comments via the means described below. In December 2017 Russian Ministry of Natural Resources and Environment announced the finalization of Espoo consultations in Russia.
<http://www.mnr.gov.ru/news/detail.php?ID=343952>

HELCOM consultation. NSP2 provided information on the project during the 52 and 53 Heads of Delegation meetings. The information is included in HELCOM materials available on the web-site <https://portal.helcom.fi/meetings/hod%2053-2017-465/default.aspx> and <https://portal.helcom.fi/meetings/hod%2052-2017-405/default.aspx>

Land owners. Permanent contacts with land owners were established. Consultations, formal requests to negotiate temporary and permanent land lease agreement and forest lease agreement are being carried out in accordance with the project needs and in compliance with relevant legal requirements.

Cable owners consultations. Negotiations to reach the agreement with cable owners were carried out by NSP2. Permanent contacts were established and will be maintained during the project execution.

5.3 Engagement During Construction

Preparatory works. Temporary preparatory works had started in accordance with the schedule in Q4 2017, when project contractor commenced construction of Workers Temporary Accommodation Camp on the agricultural lands outside of Kurgalsky natural reserve. Local community information and consultation was started in late November 2017. Bolshoe Kuzemkino community elders and permanent Hanike villagers were informed on the planned activities, contact details and information offices, grievance procedure on a dedicated meeting, organised by NSP2 in Kusemkino local administration.

NSP2 is based on the successful experience of Nord Stream planning and operations. On 17 May 2018, during the preparatory works for NSP2 construction, local community site visit to Nord Stream facilities was organised to familiarize them with the similar to NSP2 infrastructure. About 40 local people from Kusemkino, Ust-Luga, Vistino rural settlements, incl. indigenous people representatives, could participate in the site visit (**Figure 12**). During the site visit local community concerns related to noise disturbance, infrastructure safety, contamination, etc. were successfully addressed and positive feedbacks were provided by community representatives also via media.



Figure 12. Local community site visit to Nord Stream.

Notifications. The notification about start of construction activities was issued to the north-western branch of Federal Service of Technical Supervision 10 days prior to the start of construction in accordance with the construction permit.

Regular community engagement and community meetings. NSP2 have been engaged in an open dialogue with local residents and all interested stakeholders on a permanent basis. Nord Stream 2 has established permanent means of stakeholders engagement for construction phase (see Section 6). The Company has appointed a community liaison officer based on construction site who ensures that voices of local residents are being heard and their needs and opinions are being taken into account by Nord Stream 2.

NSP2 is organising regular community meetings on site to inform on project progress and discuss on-going issues (**Figure 13**).



Figure 13. Local community meeting at Nord Stream 2 construction site.

In addition, NSP2 has established permanent constructive relationship with the nearby house owner and maintains regular contacts.

Environmental supervision. Construction activities are being monitored by the competent authorities and independent watchdogs. Regular monthly supervision was organised by the Committee on State Environmental Control. In addition, site visits are carried out by the Committee on Natural Resources.

Project activities within the Kurgalsky reserve are being audited by VNII Ecology, a prominent Russian research institute with special expertise on the management of protected areas. Royal Haskoning DHV, a leading international engineering and environmental consultancy, is retained as a watchdog to ensure compliance with international standards. ERM, a global provider of environmental, health, safety, risk, and social consulting services, regularly audits the works against the project Environmental and Social Management System.

Engagement with NGOs and environmental experts. Nord Stream 2 continue its engagement with environmental experts and NGOs to address the concerns related to the environmental impacts. Environmental experts raised specific concerns during the relocation of red data book species from NSP2 construction corridor, carried out in accordance with the obtained permits. NSP2 and responsible authorities has proactively invited botanical experts to join site visits to discuss the relocation of red data book species, however the invitations were rejected. In July 2018 NSP2 has organised the site visit by the request of St.Petersburg based Bellona NGO. Site visit was followed by Bellona publication.



Figure 14. Nord Stream 2 site visit with environmental NGO

To keep interested parties informed, NSP2 regularly publish, update and distribute information materials tailored to different audiences. NSP2 supports environmental conferences, where the Company proactively engage with environmental experts and NGOs. Some 5 NGOs joined NSP2 Environmental and Community initiatives Strategy implementation.

Local media engagement. In addition to face-to-face meetings with key community leaders, information is distributed to the local population via local media. Special visit to the construction site and workers accommodation camp was organized for local media in November 2018 to inform the locals about the start of large-scale construction activities, company's approach to the environmental management. Updates about construction progress and company's activities in the Kingisepp district are being published on a regular basis on NSP2 own social media channel and at the local newspaper to ensure that all our local stakeholders are informed.

5.4 Engagement on Compensation Measures and ECo-I

Within the framework of the ECo-I Strategy, NSP2 is seeking to establish partnerships with authorities, local communities and environmental organisations to identify and implement projects and activities to be supported by Nord Stream 2 over the coming years for the benefit of the region. To this end, we organise regular meetings and encourage public and expert discussions related to the project.

To discuss Biodiversity enhancement initiatives, NSP2 participate in Kurgalsky working group, organised by the Committee of Natural Resources with the involvement of scientific experts, NGOs and authorities.

The company aims to be a good neighbour to local residents and strives to participate in social initiatives in the Kingisepp District. NSP2 construction personnel proactively participate in sport competitions and local cultural events. In addition, NSP2 partners engage community and NGOs in their ECo-I initiatives in accordance with the scope.

A full list of stakeholder engagement activities undertaken to date is included in the Stakeholders Engagement Register, which is an internal tool for tracking the stakeholders' engagement activities carried out by NSP2. The register does, however, not include information shared in regular notifications, calls and e-mail exchange.

5.5 Issues Raised During Permitting Stage

Nord Stream 2 is implemented in close contact with the Stakeholders on the main aspects of the project and is taking into account their recommendations, comments and proposals. NSP2 aims to address all relevant comments via its Environmental and Social impact assessment reports, environmental and social management plans based on the permit conditions and legal requirements, Communities and Environment Initiatives Strategy as described in chapter 3.8.

During the public consultations and public hearing on the draft EIA, the company received:

- 14 written statements from environmental NGOs (Greenpeace, Monitoring BTS, Baltic Fund for Nature), one research institute (Botanical institute) as well as individual experts and the public;
- additional recommendations following meetings with regional experts and the public

These documents contained in total around 400 questions, comments, remarks and recommendations. Half of them were comments that were implemented in the final EIA report as corrections and clarifications. The final EIA report has taken into account comments and suggestions received during the public consultation process and has been revised and updated to include, among other points, the following:

- optimised construction technique development and assessment.
- a detailed and aligned list of rare and protected species and their distribution onshore and offshore;
- more detailed information on the breeding birds species and communities, including information on colonies and nesting spots;

- supplementary 2017 research data and Helcom BALSAM data on marine mammals;
- a more detailed impact assessment on the entire area of the Kurgalsky reserve and its ecological characteristics;
- updated information on indigenous peoples population in the project area;
- new data on macrophytes and spawning grounds of fish within the Kurgalsky reserve boundaries following additional research carried out in summer 2017
- sediment modelling and fish damage calculation results;
- overarching environmental monitoring program

The issues of community engagement process in the Kingisepp district in August - September 2017, can be summarised as follows:

- Community safety during construction and operation of NSP2 and temporary facilities
- Ecosystem services and recreational infrastructure improvement
- Job opportunities for local community / youth education
- Gasification of local villages (the responsibility for gasification of villages cannot be considered in the scope of NSP2 and was adopted by Gazprom and Leningradsky region authorities)
- Road infrastructure potential damage compensation and improvement (bridges, pedestrian and bicycle passes)
- Medical facilities improvement
- Fresh water supply source improvement
- Cultural centres, incl. pottery workroom for indigenous peoples, and sport facilities construction
- Kurgalsky management improvement (garbage collection, capacity building, visitors centre).

All feedback was documented and responded to in detail in the project documentation. Overall, public consultation materials comprise 4 volumes (about 700 pages) and were submitted for SEER as a part of Permit application documents. Those feedbacks, not directly related to EIA, are being considered and addressed in the frame of Environmental and Community Initiatives Strategy.

In August 2018, the Federal Service for Supervision of Natural Resources (Rosprirodnadzor) issued a permit for the installation of an underwater pipeline in the territorial sea of the Russian Federation. In early June 2018, the Ministry of Construction of the Russian Federation issued a permit for the construction of the Nord Stream 2 gas pipeline section in Russia.

Greenpeace Russia submitted the appeal to the permit decision; however, the appeal was dismissed by the court due to the lack of reasoning.

5.6 Grievances and Inquiries During Construction

NSP2 provides various means for stakeholders to submit their inquiries and concerns, incl. phone line, e-mail, community liaison office. All those means are described in detail in Stakeholder Engagement Plan, published on the web-site, and listed in the distributed

brochures. To comply with international standards, NSP2 has adopted and published an external Grievance mechanism (see Section 7 and Attachment 2).

Stakeholders inquiries, received via established channels, are registered in the log book on site. The log book provides comprehensive information for statistics calculation and analysis. The type of inquiries and statistics for 2018 is described on the **Figure 15**.

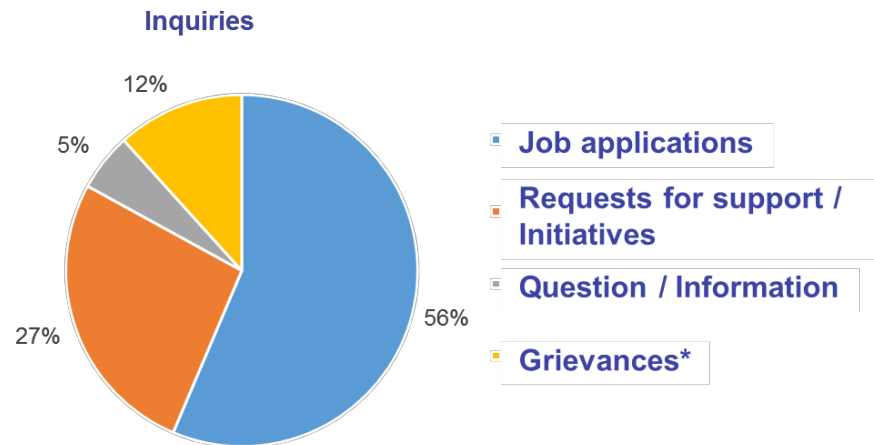


Figure 15. Statistics on Stakeholders inquiries received via NSP2 channels in 2018

Overall, in 2018 NSP2 has received some 100 inquiries in 2018. About 56% of all inquiries were job applications. Those job applications were provided to NSP2 contractors at the landfall Russia construction site for consideration in accordance with the existing job opportunities and for evaluation following contractors' procedures. 27% of inquiries contained the requests for support or initiatives proposals. Those inquiries are handled in the frame of ECo-I Strategy. 12% of inquiries were classified as grievances⁴ and carefully treated in accordance with the external Grievance mechanism (see Section 7). NSP2 provides responses to the raised questions comments on the regular basis during engagement process.

6 Engagement Plan

The Company's approach to stakeholder engagement is guided by Russian law, international requirements and Company policy as described in Section 2.

This section contains a description of current approach to stakeholder engagement and information disclosure processes available at the moment.

6.1 Means of Engagement

This section describes the principles of methods that could be used for stakeholder engagement in the context of the Project. The information on key means of Stakeholders

⁴ A **grievance** is a concern or complaint raised by an individual or a group within communities affected by company operations. Grievances can result from either real or perceived impacts of a company's operations

engagement, including main steps of Grievance mechanism, is included in the brochure, distributed to Stakeholders (Attachment 2).

Information distribution. Announcements about socially important events, which are organized by the Company, and also other needed information will be circulated and published as follows:

- Announcements published in mass media: federal, regional, local newspapers.
 - Hard copies of documents and brochures
 - Letters exchange
 - Notifications
 - Social media
 - Project Web-site:
- Project information and press-releases on a general homepage
 - Announcements and specific information on the Russian permitting homepage <https://www.nord-stream2.com/environment-permitting/permitting-overview/>

Community liaison offices. The community liaison offices (CLOs) were opened by NSP2 during EIA public consultation phase to bring to communities relevant information by posting hard copies of Project documents, including EIA, at public places in the frame of EIA formal procedure. Community liaison offices are being maintained in four locations in Kingisepp district during construction phase to consult on potential community questions and grievances. NSP2 has involved Community Liaison Officer to consult the communities on the permanent basis.

Public Information Points. Public information points (PIPs) are installed at six locations in Kingisepp district with the aim to disseminate project information materials. PIPs contain printed project leaflets and brochures and are maintained by NSP2 with the support of local administration.

Grievance box is located on the entrance point of temporary workers accommodation camp and could be used by external Stakeholders for anonymous grievance submission.

Locations of Public information points, Community liaison offices and Grievance box are shown on the **Figure 16**.

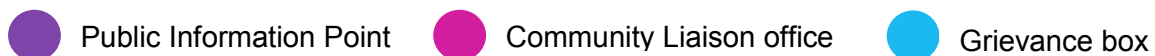
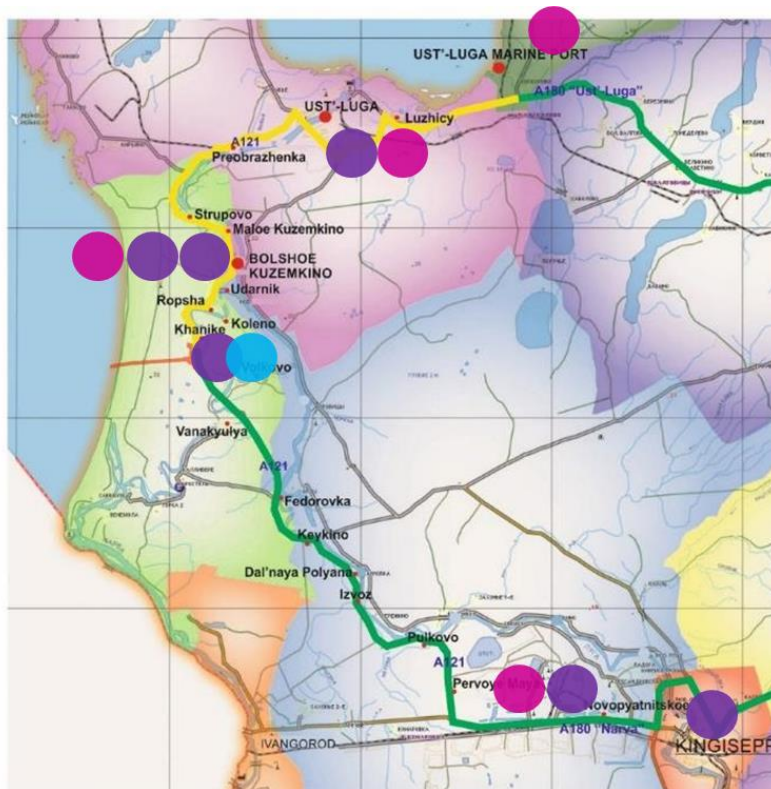


Figure 16 Locations of community liaison offices and Public information points

Targeted informing and consulting. It is implemented through direct contacts of Project authorized persons with representatives of stakeholders or by using the telephone and on-line communication tools. Established contacts with representatives of the Administration, leaders of local communities and land owners, NGOs will be used in the targeted informing procedures.

Questionnaire surveys. The method is used where it is necessary to collect statistical data regarding certain social and economic issues or to research an opinion about the Project. The local communities are the key targeted group of the method.

Public hearings. It is held according to the legal requirements of the Russian Federation at the EIA phase including involvement of the Administration. This is a face-to-face event, i.e. a meeting of representatives of the Project and design documentation and EIA developer with the public, as a part of public consultation.

All questions, comments and suggestions, which are raised by the public in the course of hearing, are entered in the public hearing minutes according to legislative requirements. The minutes should be signed by the representative of the customer, the representative of the local district and by the representative of the public.

Meetings. The meetings are held with stakeholders to inform them about the Project and its implementation progress and ensure a constructive dialog and exchange of opinions and information. Following meetings are organised: by NSP2:

- Individual meetings
- Group meetings

Initiative and focus groups. This consulting method will be used where necessary to discuss with different groups of stakeholders some specific issues regarding the Project and Project initiatives, which are subject to group discussion. The Project can engage the initiative groups, which were earlier formed according to interests of local residents. Thus, there are several initiative public groups, volunteer movements in the Kingisepp District and Leningradsky Region. Russian President as the year of Volunteer movement in Russia announces the year 2018.

Associated facilities joint consultations and participation is coordinated by responsible personnel of behalf of NSP2 and PAO Gazprom within the framework of associated facilities impacts assessment, relevant stakeholder engagement and environmental and social management. Via official letters exchange, NSP2 has established permanent contacts with the associated facilities, involving operator in the relevant engagement activities: round tables, public hearings, etc.; and using best endeavours approach to ensure compliance with international environmental and social standards. Taking into account the results of the meeting between NSP2 and Gazprom in September 2018, the parties exchange information on the grievances and apply best endeavours approach to resolve them.

Round tables, forums and conferences. The Project consider forum as an important platform bring together various stakeholders and as powerful tools for sharing ideas, building consensus and developing commitment. The Project participates and supports research round tables, forums and conferences. Thematic round tables can be organised around a specific topic of broad interest.

Visits to the site and Project facilities. Basically, the Project facilities are not of significant interest for visits due to their predominantly linear arrangement. Nonetheless, options will be examined to ensure for the representatives of stakeholders safe visits to the sites of the Project and its contractors. Site visits to the Nord Stream pipeline can be organised for small groups of stakeholders.

Partnership with Stakeholders. Nord Stream 2's objective is to turn the Environmental and Community Initiatives Strategy (as described in 3.8) into a concrete activity plan. We are seeking to establish partnerships with regional community and environmental stakeholders to identify and implement a set of projects and activities to be funded by Nord Stream 2 over the coming years for the benefit of the region.

Cooperation agreement. The Governor of the Leningrad Region, Alexander Drozdenko, and Nord Stream 2 AG CEO Matthias Warnig have signed a cooperation agreement on the implementation of the Environmental and Community Initiatives (ECo-I) Strategy of the Nord Stream 2 project. The agreement provides for cooperation between Nord Stream 2 AG and the Government of the Leningrad Region on the environmental protection and social infrastructure development, as well as for regular consultations and dialogue with regional authorities, experts and communities <https://www.nord-stream2.com/media-info/news-events/nord-stream-2-and-leningrad-region-sign-cooperation-agreement-83/>. The cooperation agreement was implemented by the Decree of the Leningrad Region Government.

6.2 Information Disclosure

Documents that planned to be disclosed for public at the different stages of the Project implementation are listed in Table 7.

Table 7. Information disclosure plan

Information topic	Information materials	Means of disclosure	Stakeholders	Timetable
General Project information	Leaflet Presentation Communication materials	Hard copies distribution Web-site	All stakeholders, media	On-going
Transboundary impact assessment under Espoo convention	Espoo report Non-technical summary Map atlas	Hard copies disclosed in public liaison office in Kingisepp and in NSP2 offices.	All stakeholders	April - July 2017
		Website of the Ministry of Natural Resources of the Russian Federation http://www.mnr.gov.ru/regulatory/detail.php?ID=342368		7 April 2017 onwards
		Project web-site		April 2017 - onwards
	Project presentation Espoo report presentation	Public hearings		30 June Notification to be published 30 days prior to the public hearings
Environmental Impact Assessment (EIA)	Draft EIA ToR EIA program and scoping Alternative assessment Reports and Leaflet Reports on independent review of Alternative assessments Reports	Hard copies, disclosed in community liaison offices	All stakeholders	12 April 2017 – 12 June 2017
		Project web-site		12 April 2017 - and onwards
	Draft EIA, Non-Technical Summary, Project note, Leaflet	Hard copies, disclosed in public liaison offices		4 August 2017 – 9 November 2017



Information topic	Information materials	Means of disclosure	Stakeholders	Timetable
	Project presentation, Draft EIA presentation	Project web-site		4 August 2017 – 9 November 2017
		Public hearings		4 September 2017
Final EIA and environmental monitoring	Permit application: design documentation, incl. EIA, materials of public consultations, data collection and engineering surveys results.	Hard copy, electronic copy	State Environmental Expert Review	13 November
		Electronic copy, Hard copy upon request	Public Environmental Expert Review	November 2017
		Hard copy, electronic copy	Main State Expert Review	Q1 2018
	Presentation and brochures on EIA updates and optimised construction technique	Meetings, Public information offices Web-site	Environmental experts, NGOs, Local Communities Media	November 2017
	Final EIA Environmental Monitoring Program	Web-site	All stakeholders	November 2017
Technical design and EIA update	Notification Project note Draft update EIA Draft update environmental monitoring programme	Media Web-site Hard copies in community liaison offices	All stakeholders	7 March – 8 June 2019
Stakeholders engagement and Grievance mechanism	Stakeholder Engagement plan	Web-site	All stakeholders	Q1 2018 Update Q1 2019
	Stakeholder engagement leaflet	Web-site, Hard copies	All stakeholders	Q2 2018 onwards
Compensation measures (Environmental and Community initiatives Strategy)	Environmental and Community Initiatives Strategy leaflet	Web-site Distribution via meetings and PIOs	All stakeholders	Q4 2017 – onwards, regular
	Press-releases	Letters and information papers		
	Target information upon request	Social media		
Biodiversity conservation activities	Biodiversity action plan concept presentation	Distribution via meetings	Authorities	December 2017

Information topic	Information materials	Means of disclosure	Stakeholders	Timetable
	Biodiversity action plan updates, Survey results	Electronic and hard copies Distribution via meetings	Authorities Authorities, Environmental experts and NGOs Research institutes	January 2018 – onwards, regular
	Biodiversity initiatives	Social media Conferences	All stakeholders	Q1 2018 – onwards, regular
Community investment and Social impact assessment	Social impact assessment, summarised in the EIA	Web-site, Hard copies	all stakeholders	Q4 2017
	Indigenous peoples assessment and results presentation	meeting	Regional Public Chamber members	Q4 2017
	Community investment approach presentation	meeting	authorities	Q1 – Q2 2018
	Community initiatives	media publications Social media	All stakeholders	Q4 2018 – onwards, regular
Environmental monitoring	Environmental monitoring program and report	Hard and electronic copies	Authorities	2018 - onwards, yearly
Information on Project progress	Notifications	Target informing	Authorities	Q2 2018
	Information messages Press-releases	Social media NSP2 web-site	All stakeholders	Q3 2018 – onwards, regular
	presentation	meetings	Affected stakeholders	Q2 2018 – Q4 2019, quarterly

6.3 Stakeholder Engagement Programme

An overview of the planned stakeholder engagement activities with breakdown by stakeholder group and Project phase is given in Table 8 below. This table is being updated through the life cycle of the Project. Where reasonably possible engagement activities will be joint for different objectives.

Table 8 Stakeholder Engagement Programme

Stakeholder/ Stakeholder Category	Engagement topics	Stakeholder Engagement and Methods	Indicative Timing	Responsibility	Information	Location/Enga gement Outputs
Permitting phase						
Technical update and EIA	<ul style="list-style-type: none"> Note on the update of technical design EIA and monitoring programme update 	Notification 60 days disclosure of the draft documents on the web-site and in community liaison offices for comments Disclosure of the final documentation on the web-site	07 March – 08 June 2019	Nord Stream 2 AG	Reports Media notification	Kingisepp district
	<ul style="list-style-type: none"> Project progress Update of technical design EIA and monitoring programme update ECo-I initiatives and engagement 	Meeting with the local community Public hearings	26 March 2019 9 April 2019	Nord Stream 2 AG	Presentations	Construction site Kingisepp
Land-owners	<ul style="list-style-type: none"> Short term and long term lease agreements Reinstatement plan 	Targeting informing and consulting Meetings	Q1 2016 – Q4 2019	Nord Stream 2 AG	Project information	Kingiseppskiy district / notes, agreement
Ministry of Construction, Rostekhnadzor	<ul style="list-style-type: none"> Operations permit 	Targeting informing and consulting Meetings	2019	Nord Stream 2 AG	Project information	St.Petersburg, Moscow
Construction phase						
All stakeholders	Project update	Web-site Press release Social media Conference participation	2019, regular	Nord Stream 2 AG	Project information	all

Stakeholder/ Stakeholder Category	Engagement topics	Stakeholder Engagement and Methods	Indicative Timing	Responsibility	Information	Location/Enga gement Outputs
Affected community	Project information Grievance management Community investment update	Group meetings, Social media Public liaison office Public information points Grievance box	2018 - 2019 Quarterly 2018-2019, Regular	Nord Stream 2 AG,	Presentations Leaflets and brochures Media notifications	Kingisepp district: Hanike, Bolshoe Kuzemkino, etc.
Local authorities	Project update Community investment update	Meetings Letters exchange	2018 – 2019, regular	Nord Stream 2 AG / contractors	Project information	Kingisepp district
Cultural organisations	Cultural heritage onshore supervision during construction Biodiversity conservation studies	Correspondence exchange Meetings	2018 - 2019	Nord Stream 2 AG / contractors	Chance finds procedure	Kingisepp district
Associated facilities operator	Joint environmental and social issues	Target information Letters exchange	2019, regular	Nord Stream 2 AG / Gazprom	Upon agenda	St.Petersburg
Scientific organisations and experts	Environmental and social supervision	Site visit	2018 - 2019	Nord Stream 2 AG	Observation report	Kingisepp district Web-site
Authorities	Environmental monitoring Audits	Meetings Information disclosure Site visit	2018 - 2019	Nord Stream 2 AG	Reports	St.Petersburg
Ramsar mission	Biodiversity conservation Environmental initiatives implementation	Site visit	Q4 2019	Nord Stream 2 AG	Presentation Reports	Construction site
Environmental and Community Initiatives Strategy (ECo-I)						
Federal and regional fishery authorities	Compensation measures	Meetings Correspondence	Q4 2017 – regular	Nord Stream 2 AG	Compensation plan	St.Petersburg

Stakeholder/ Stakeholder Category	Engagement topics	Stakeholder Engagement and Methods	Indicative Timing	Responsibility	Information	Location/Enga gement Outputs
Federal and Regional authorities	Community investment initiatives	Individual meetings Correspondence exchange	Q1 – Q2 2018	Nord Stream 2 AG	Presentation	St.Petersburg
Local community, local authorities, local cultural organisations	Community initiatives, sport and other events	Meetings, events Social media	2019 -2020	Nord Stream2 / partners	Presentation	St.Petersburg
Federal and Regional authorities	Biodiversity enhancement	Working group Meetings Round table	Q2 2019 – Q4 2019, Regular May 2019	Nord Stream 2	Presentation	St.Petersburg
Cultural organisations and experts, NGOs	Biodiversity enhancement	Working group Round tables Conferences	Q2 2019 – Q42019 Q1 2020	Nord Stream 2	Presentation	St.Petersburg
HELCOM operator	Environmental initiatives and conferences	Baltic Sea Day conferences	2019	Nord Stream 2	Presentation	St.Petersburg
Operational phase						
Authorities	Environmental monitoring and reporting Statutory compensations	Correspondence exchange	2020	Nord Stream 2 AG	Monitoring program Report	St.Petersburg
Affected stakeholders	Project related concerns	tbc	tbc	tbc	tbc	tbc

Stakeholder Engagement Program is the subject for update on subsequent stages of the Project.

7 Stakeholder Engagement Data Management

Stakeholder opinions and concerns are taken into account by the Company as a valuable source of information to optimize the design and outcome of the Project. The results of stakeholder engagement events will be systematically collected and included in a Company stakeholder database enabling tracking and monitoring of all follow-up actions required.

The general decision-making process is described below in order to:

- Demonstrate transparency;
- Provide information about the Company's resources and decision-making level relevant to the raised issues; and
- Describe general procedures of addressing stakeholders' feedback.

A detailed internal procedure is used to manage stakeholder feedback (comments, grievances, etc.) so that it can be promptly processed and analysed by the Company personnel.

7.1 Means of Receiving Stakeholder Feedback

Stakeholders can submit a question, request for information/clarification, provide an opinion, or submit a concern or a grievance directly to the Company at any time using the contact points provided below:

Direct contacts. Members of the public can directly contact the project via the following means:

St. Petersburg branch office:

- Corporate email address of the on-line community liaison office: russia@nord-stream2.com
- Corporate telephone number: +79213058416 all communications are recorded
- Mailing address: 14, Reshetnikova st., Saint-Petersburg, 196105

Head Office:

- Corporate email address: info@nord-stream2.com
- Corporate telephone number: available at the Project website <https://www.nord-stream2.com/>

7.2 EIA Feedback Management

Feedback received during the Russian EIA process is managed with EIA contractor support.

Registers for comments and suggestions are available in the community liaison offices during EIA phase. Anyone can make an entry in the register. The entry should be supported by contact information (unless the entry is intended to be anonymous). The entries in the book are checked on a regular basis by authorized personnel on site and forwarded for further processing to contractor. Comments and feedback, raised during the Public Hearings for the project, are formally recorded by the administration / contractor, responsible for the hearing, and submitted to the statutory regulators within EIA documentation.

During formal national EIA procedure comments are collected 30 days during the EIA public consultation and 30 days after public hearings during preparation of final documentation. All comments and responses are included in the Materials of public consultations, submitted as a part of project documentation to SEER.

Relevant authorities or NSP2 distribute target responses to the Stakeholders.

7.3 Grievance Mechanism

A Grievance Mechanism is established to receive and facilitate resolution of external stakeholder grievances concerning the Project⁵. As necessary, specific measures targeted at certain stakeholders, such as those in nearby communities, may be required to ensure effective disclosure of the Grievance Mechanism.

A ***grievance*** is a complaint raised by an external stakeholder (individual or group), related to a specific impact or incident, and which needs to be formally registered and addressed through the Grievance Mechanism. Grievances can result from either real or perceived impacts of the Company's operations, including those of contractors. .

The Grievance Mechanism serves to:

- Minimise any adverse impacts of the Project on external stakeholders via quick and mutually acceptable resolution of grievances;
- Identify emerging adverse trends in terms of incidents/impacts at an early stage so that measures to prevent/avoid their occurrence can be implemented quickly and proactively;
- Demonstrate Company's respect for the interests of external stakeholders.

Key principles of the grievance management process are:

- Any person, group or organisation can submit a grievances at any time, without fear of retribution and at no financial cost.
- All grievances will be taken seriously and will be treated in a fair and respectful manner. The Company will respond to the complainant to confirm receipt of the grievance within seven working days.
- The process by which grievances will be received, investigated and resolved will be consistent and transparent. Representatives of contractors may be involved in the investigation where applicable.
- Information relating to a grievance investigations and eventual decision will be documented.

⁵ A separate workers' grievance mechanism is being developed for the Project.

- Complainants will have recourse to an internal Company appeal mechanism if the complainant rejects the (first) decision.
- Personal information about the affected stakeholders will be treated as confidential (in accordance with the requirements of the current legislation).
- The mechanism will not impede access to judicial or administrative remedies.

The Grievance Mechanism procedure is illustrated in Figure 9 and described below.

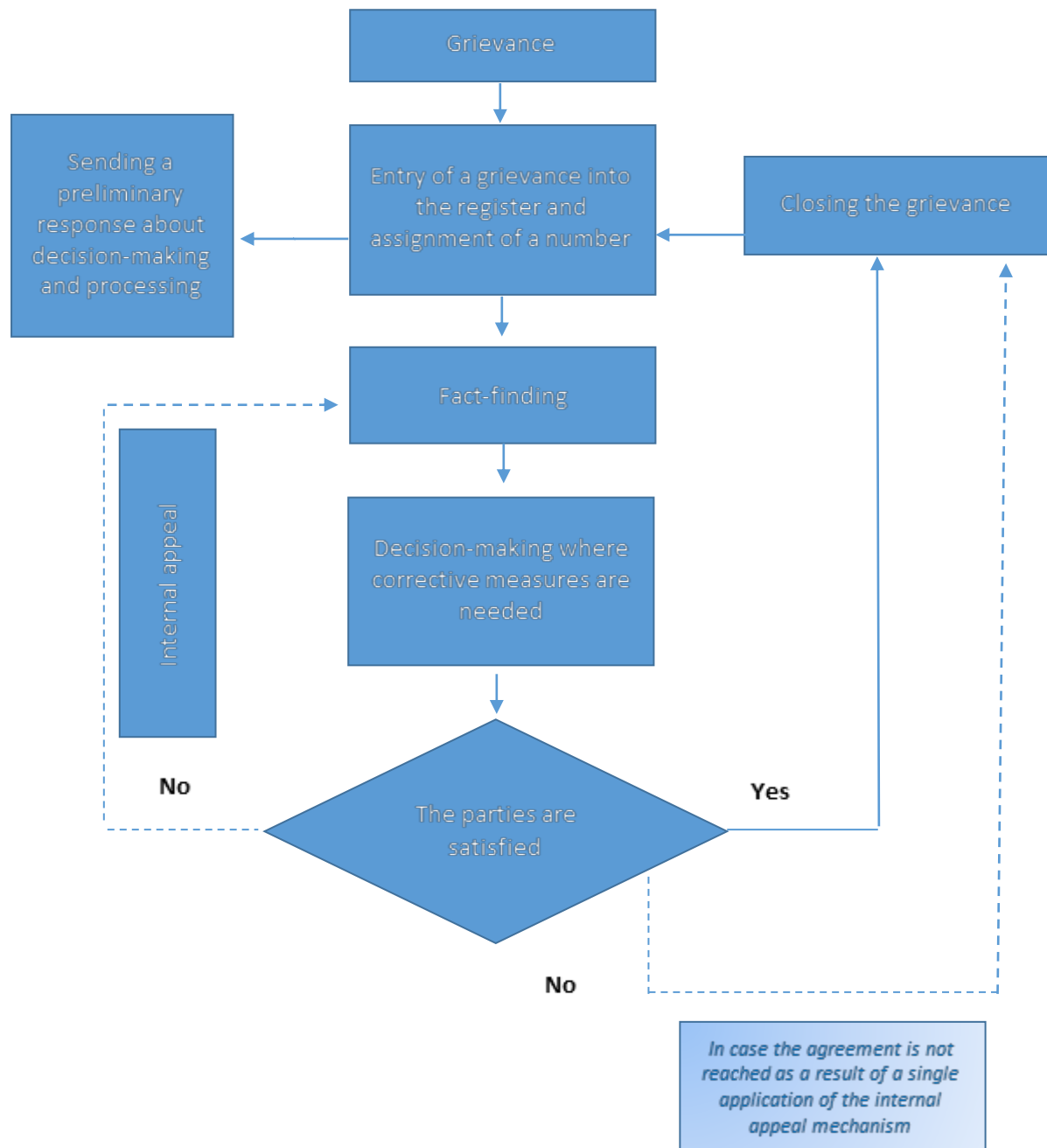


Figure 9 Grievance mechanism flowchart

Stage 1: Grievance communication and logging (registration)

Grievances can be submitted via any stakeholder engagement and communication channel functional at the time of submission (including direct to the Company in Switzerland via e-mail address, telephone, and the mailing address). All grievances will be logged.

Stage 2: Acceptance of grievance for investigation

The Company will respond to the complainant to confirm receipt of the grievance within seven working days from receipt.

Stage 3: Notification

As well as confirmation of receipt the complainant will also be provided with information about response times, next steps and a contact name with contact co-ordinates within the Company.

Stage 4. Investigation

The Company will investigate grievances and their surrounding circumstances. These investigations will involve various Project units and, if necessary, may involve consultation with the complainant. The Company will strive to complete the process of investigating the incoming grievances and identifying a resolution within 30 calendar days, and in more complex cases – within 45 calendar days of the receipt of a grievance.

Step 5: Resolution

A proposed resolution will be based on the results of the investigation. The proposed resolution will then be formally communicated to the complainant. The complainant will be first notified on the resolution process progress in 30 days period, and afterwards when the resolution is identified (in case it takes 45 days). If the proposed resolution is not accepted, the case may be resolved via application of an internal appeal process.

Stage 6: Monitoring and evaluation

After the accepted resolution has been implemented, it will be monitored and its effectiveness will be evaluated for a period of time agreed between the complainant and the Company. Relevant actions will be added to the Project commitments register.

Contractors may implement their own Grievance Mechanisms, but they must be aligned with the Company's Grievance Mechanism and they cannot be implemented until they have been formally approved by the Company. If contractors use their Grievance Mechanisms then contractors will report on the performance of the Grievance Mechanisms on a regular basis to the Company.

8 Resources and Implementation

This Russia SEP is a part of the environmental and social management system of the Project. Responsibility for the Russia SEP implementation at the current project stage rests with the Permitting Department at the following levels:

- St.Petersburg branch office;

- Head Office of the Project (Zug).

On a country level, the Russia SEP is being implemented by the Russian Office. Engagement in accordance with the international requirements is managed from the Head Office.

The procedures for approval of information materials, disclosed information and stakeholder engagement methods are supported by the communications department.

Grievances are managed and resolved by a commission consisting of technical specialists, permitting specialists, HSE experts and specialists who are responsible for the management system. These taskforces, which are set up by advisory boards, are managed by authorized specialists from the Head Office.

The Russia SEP will be reviewed and updated on a regular basis during Project implementation as and when necessary, but at least once a year. Irrespective of this commitment, Company will ensure that an updated Russia SEP is prepared prior to any important phase of stakeholder engagement and prior to initiation of construction activities and commissioning/operations. This will ensure the credibility and relevance of information contained in the Russia SEP, and will also ensure that the stakeholder engagement methods are in compliance with the legislative requirements and with the conditions of the Project implementation at different stages. Any significant changes relating to project activities and implementation schedule will be properly accounted for in each update of the Russia SEP.

9 Monitoring and Reporting

It is important to monitor stakeholder engagement to ensure that consultation and disclosure efforts are effective, and in particular that stakeholders have been meaningfully consulted throughout the process. Stakeholder engagement monitoring is a part of the Project Environmental and Social Management System.

Monitoring will include:

- auditing the implementation of the Stakeholder Engagement Plan;
- monitoring consultation activities conducted with interested and affected stakeholders;
- monitoring the effectiveness of the engagement processes in managing impacts and expectations by tracking feedback received from engagement activities and recording and tracking commitments made to stakeholders; and
- monitoring any grievances received and their resolution.

Performance will be reviewed regularly against the Stakeholder Engagement Plan. Tracking of stakeholder engagement will be used to assess the effectiveness of the engagement activities. Indicators for tracking will include:

- materials disseminated: types, frequency, and location;
- place and time of formal engagement activities and level of participation including by specific stakeholder groups;
- number of comments by topic and type of stakeholder, and details of feedback provided;
- numbers and types of grievances and the nature and timing of their resolution; and
- community attitudes and perceptions based on media reports and stakeholder feedback.

Stakeholder Engagement reports will be prepared and disclosed by Nord Stream 2 AG on a yearly basis.

Attachment 1. List of Stakeholders ⁶

⁶ Specific names of the identified stakeholders are known and are contained in the Project database, together with their contact details.

Stakeholder level	Stakeholder category	Stakeholder
Interested parties		
International	Conventional officials	Ministry of Natural Resources and Environment International department (Espoo, Helsinki, Ramsar conventions officials) FC "Mineral", HELCOM operator Ramsar secretariat
	NGOs	WWF Russia Greenpeace Russia Coalition Clean Baltic: IUCN Wetlands International Pro Mare Estonia Sillamae Centre of Environment Gulf of Finland Trilateral Co-operation
	Cultural Organisations	Estonian Marine System Institute, SYKE
Federal	Authorities	Ministry of Natural Resources and Environment of the Russian Federation Federal Service for Natural Resource Use Supervision (Rosprirodnadzor) Federal Agency for Water Resources Federal Forestry Agency Federal fishery agency Federal Service for Technical Supervision (Rostekhnadzor) Ministry of Energy Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor) North-western branch of Rosprirodnadzor Fishery authority FGBU "Glavrybvod" Chief Directorate of the MES of Russia Federal State-Funded Institution "Rosmorrechflot Sea rescue service" Federal government institution "Federal Motorway Administration "North-West" of Federal Road Agency named after N.V. Smirnov" Federal service on customers' rights protection and human well-being surveillance, Federal Budget Institution of Health "Hygienic and Epidemiological Center of Leningrad Oblast" Federal State Statistics Service
	NGOs	Marine Mammals Council Russian Bird Conservation Union All Russian Society for Nature conservation Green Cross Fund Vernadsky Russian Geographical Society

	Research organisations and experts	<p>Federal state budgetary scientific institution "National Research Institute of Lake and River Fisheries. L.S. Berg"</p> <p>St. Petersburg State University</p> <p>St.Petersburg Research Center of Russian Academy of Science</p> <p>Institute of Limnology of the Russian Academy of Science</p> <p>Zoological Institute of the Russian Academy of Sciences</p> <p>Russian Academy of Science</p> <p>St.Petersburg University, Leningrad Region university by A.S.Pushkin</p> <p>All-Russian Plant Institute,</p> <p>VSEGEI (Russian Geological Research Institute)</p> <p>St. Petersburg State Polytechnic University (Peter the Great University)</p> <p>Forest Science Institute of the Russian Academy of Science</p> <p>Hydrological institute</p> <p>VNII "Ecology"</p> <p>Fishery experts</p>
	Media ⁷	<p>Tass</p> <p>Kommersant</p> <p>Vedomosty</p> <p>RIA Novosty</p>
Regional	Authorities	<p>Government of Leningrad Region:</p> <p>Committee of Natural Resources of Leningrad Region</p> <p>Committee of on State environmental control</p> <p>Committee on Tourism</p> <p>Committee on Municipal Governance, International and Interconfessional Relations of the Leningrad region</p> <p>Leningrad region state public institution "Forest Governance in Leningrad Oblast"</p> <p>Interregional public organization "The Leningrad society of hunters and fishermen"</p>
	NGOs	<p>Baltic Fund for Nature / Biologists for nature conservation</p> <p>Ecological human rights center "Bellona" in St. Petersburg</p> <p>Baltic Ringed Seals Foundation</p> <p>Monitoring BPS</p> <p>Friends of the Baltic</p> <p>Association of Eco Journalists</p> <p>Razdelniy Sbor</p> <p>Clean Vuoksa</p>
	Research organisations and experts	<p>Botanical Institute of Russian Academy of Science named by Komarov</p> <p>EthnoExpert consultancy</p> <p>Ecoproject consultancy</p>

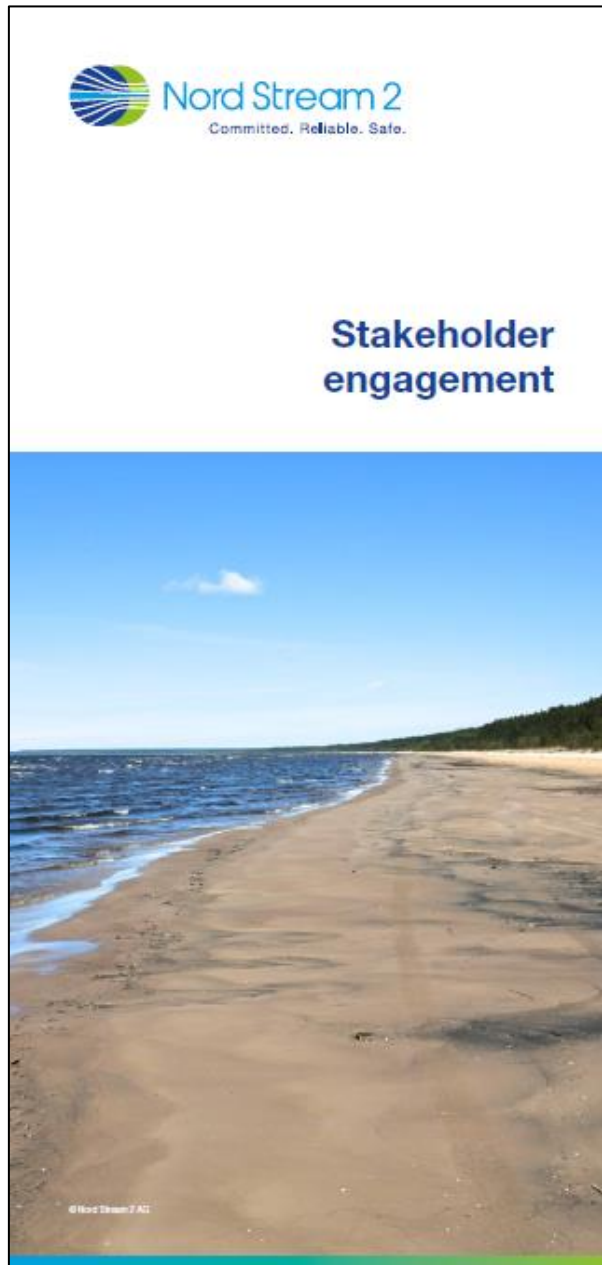
⁷

	Commercial enterprise	PAO "Gazprom" Ust-Luga Marine Port, PG Phosphorit, Rosterminalugol Leontief center Ecoproject Fertoing
	Military	Baltic Fleet
	Media	St,Petersburg Vedomosty Regnum Online 47 LOT (Leningrad Regional TV)
District	Authorities	Kingisepp district administration Kingisepp forestry
	NGOs and activists	Greenpeace local activists
	Media	Vostochniy Bereg Vremya Kingiseppa Yamburg TV
	Cultural organisations	Kingisepp historical museum Izhora museum Vod museum
Affected Stakeholders		
International	Cable owners	Department of Advanced Technology UPT
	Fishing	Estonian Fishermen Association.
Local	Authorities	Municipality "Kingisepp Municipal district" Municipality "Kuzemkinskoe rural settlement" Municipality "Ust`-Luzhsky rural settlement" Municipality "Bol'shelutskoe rural settlement" Municipality "Vistino rural settlement" Municipal autonomous institution "Kingisepp social service centre for elderly and handicaped people" of municipal entity "Kingisepp municipal district" of Leningrad Oblast'
	Land owner	Pribrezhnoye CJSC (agricultural land owner) Kingisepp Forest Administration (forest lands)
	Community	Hanike permanent villager Hanike nearby house owner Deputies of Kusemkino rural settlement Deputies Ust-Luga rural settlement Deputies of Bolshelutskoe rural settlement Head of Kusemkino Municipality Head of Ust-Luga Municipality Elder of Sarkulya village Elder of Udarnik village Elder of Kalivere village Elder of Bolshoe Kusemkino Elder of Ropsha,



	Vulnerable groups	Krakol'e school Bol'shoe Kuzemkino Kindergarten Kusemkino Veteran council Ust-Luga Veteran Council Russian orthodox church, social department Children creativity center Izhora museum Vod museum Shoikula community
	Fishing	LLC "Uniks" IE Kiruchun IE Kromkin Reymosar LLC Pirs LLC
	Cultural organisations	NaRusi cultural center Ust-Luga cultural center Kingisepp cultural center Kusemkino museum Kingisepp volleyball federation
	Medical services	Bol'shoe Kuzemkino Outpatient Clinic Ust'-Luzhskoe Hospital Kingisepp District Hospital

Attachment 2. Brochure on Stakeholders engagement



Grievance mechanism

Nord Stream 2 has established the grievance mechanism to receive and facilitate the effective resolution of stakeholders' grievances concerning the project.



Key principles of grievance mechanism important to know

- A** Nord Stream 2 will log all submitted grievances.
- B** Nord Stream 2 will send the initial response with the information about next steps and a contact details within 7 days.
- C** Nord Stream 2 will investigate the circumstances. The investigation may involve the complainant.
- D** The proposed resolution will be provided to the complainant within the 30 days. If the resolution will require more time or does not satisfy the complainant further actions to resolve the issue will be conducted.

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 (all calls are recorded)

November 2018

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Nord Stream 2 is a new pipeline through the Baltic Sea, which will transport natural gas from Russia via the most efficient route to Europe. Gas pipeline starts 3 kilometers away to the south from Bolshoye Kuzemkino village of the Kingisepp district of the Leningrad region, and crosses Narva Bay. The Nord Stream 2 landfill facilities are located at a safe distance from the settlements.

The Russian section of the gas pipeline includes:

- > Offshore part, 114 km long within the territorial waters of Russia,
- > Onshore part, about 3.7 km long,
- > Landfill facilities, including PIG launchers and shutdown valves.

During the construction period, which is scheduled to be completed by the end of 2019, workers temporary accommodation camp has been built and commissioned to accommodate personnel.

Nord Stream 2 seeks to implement this important project in harmony with nature and the local community. Protection of the environment and safety are priorities for the company. Nord Stream 2 is committed to implementing the project in line with Russian requirements and international standards.

The careful planning, innovative engineering solutions and comprehensive offset activities are fundamental for company's work. Nord Stream 2 is committed to an open and transparent dialogue with stakeholders. Stakeholders can ask a question, provide an opinion, or submit a concern or a grievance directly to the company at any time using the contact points provided below. Alternatively, please contact our Community Liaison Offices during the working hours.



**Schedule of Community Liaison Offices
in Kingisepp municipal district, Leningrad region**

Bolshelutskoe rural settlement administration 18845, settlement Kingiseppskiy, house 21	09:00–10:00 Tuesday
Kuzemkinskoe rural settlement administration 188475, village Bolshoe Kuzemkino, house 18	11:00–12:00 Tuesday
Ust'-Luga rural settlement administration 188471, settlement Ust'-Luga, Kingisepp, house 2, 2 quarter Lennyba	14:00–15:00 Tuesday
Cultural center of Vistino rural settlement 188477, Vistino village, Izhorskaya street, house 13	16:00–17:00 Tuesday

Project information is available at:

- > **Kuzemkinskoe rural settlement administration**, 188475, Central microdistrict, village Bolshoe Kuzemkino, house 18, Kingisepp municipal district, Leningrad region (2nd floor)
- > **Kusemkino museum**, 188475, Central microdistrict, village Bolshoe Kuzemkino, house 18, Kingisepp municipal district, Leningrad region (1st floor)
- > **Ust'-Luga rural settlement administration**, 188471, 2 quarter Lennyba, settlement Ust'-Luga, house 2, Kingisepp municipal district, Leningrad region
- > **Municipal Budget Cultural Institution «Kingisepp Cultural and Leisure Complex»**, 188480, Leningrad Region, Kingisepp, Karl Marx Ave., house 40 (1st floor)
- > **Bolshelutskoe rural settlement administration**, 188451, settlement Kingiseppskiy, house 21, Kingisepp municipal district, Leningrad region (2nd floor)
- > **Nord Stream 2 construction site entrance point**, 188475, Haniki village, Kingisepp municipal district, Leningrad region