



Nord Stream 2

Committed. Reliable. Safe.

Nord Stream 2 in Russia: Environmental and Community Initiatives Strategy

Nord Stream 2 AG | July-19





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Introduction

Nord Stream 2 is a planned pipeline through the Baltic Sea, which will transport natural gas over 1,230 kilometres from Russia via the most efficient route to consumers in Europe. The proposed route for the pipeline is to start in the southern Gulf of Finland, making landfall in the Kingisepp district, Leningrad Region.

Nord Stream 2 AG, the project developer, has committed to comply with all applicable national legislation as well as with the International Finance Corporation Performance Standards on Environmental and Social Sustainability (IFC PS) – the most demanding criteria based on international best practice.

The Nord Stream 2 project is being implemented in the safest possible way with full awareness of local ecological conditions. The company applies strict processes to identify all environmental and social risks and avoid negative impacts. Where this is not possible, advanced mitigation and compensation measures are being put in place.

An important aspect of the implementation of Nord Stream 2 is planning the pipeline route through the Kurgalsky nature reserve, given the protected status of that area on both the national and international levels. The implementation of the project in this sensitive territory have been made possible thanks to comprehensive surveys and an innovative construction solution developed specifically for the shoreline crossing in Kurgalsky.

The Nord Stream 2 team is confident that it can **assess, mitigate and compensate environmental impacts** in line with national requirements and international standards, eventually achieving a **net gain** for the conservation value of the Kurgalsky reserve.

To achieve this goal, **the Environmental and Community Initiatives (ECo-I) Strategy** has been developed for the landfall in Russia. As part of this Strategy, Nord Stream 2 is supporting community initiatives to promote social infrastructure improvement, community safety and environmental awareness. Key focus areas have been defined through consultations with the regional and municipal authorities, community leaders and locals. As a responsible corporate citizen, Nord Stream 2 is committed to implementing initiatives in close cooperation with stakeholders as envisaged by the cooperation agreement between the company and the Leningrad Region Government, signed in February 2018. In 2018, about 35 initiatives were implemented: 20 social incentives and 15 biodiversity actions.

The following paper outlines the ECo-I Strategy in more detail.



1. Environmental and Community Initiatives Strategy: an Overview

Nord Stream 2 is highly aware of its responsibility to preserve the Kurgalsky nature reserve. The aim is to implement the project in the safest possible way with due consideration for the environmental characteristics of the area, avoiding and mitigating negative impacts as far as possible.

Beyond the requirements of Russian legislation, Nord Stream 2 has made a voluntary commitment to comply with the Environmental and Social Performance Standards of the International Finance Corporation (IFC PS).

Nord Stream 2 has developed the ECo-I Strategy to ensure sustainable project implementation and benefits for the environment and communities in the project area in Russia. The Strategy is based on four pillars and represents a holistic approach to reinstatement and compensation, conservation, community initiatives and sponsoring activities that Nord Stream 2 undertakes in and around the landfall in the Kingisepp district.

In line with the IFC PS, Nord Stream 2's ultimate objective is **to achieve a net gain on the biodiversity value of the Kurgalsky peninsula**, beyond the mere project footprint, and enhance the conservation aims and effective management of the area. Nord Stream 2 has allocated a preliminary budget of 30 million euros (over 2 billion roubles) for Eco-I implementation.

The proposed initiatives under the ECo-I Strategy cover the following areas:



Fig. 1. Holistic approach: four elements of the Strategy

The ECo-I Strategy is centred on the Leningrad Region with a focus on the Kingisepp district, as this is where the project is being implemented.

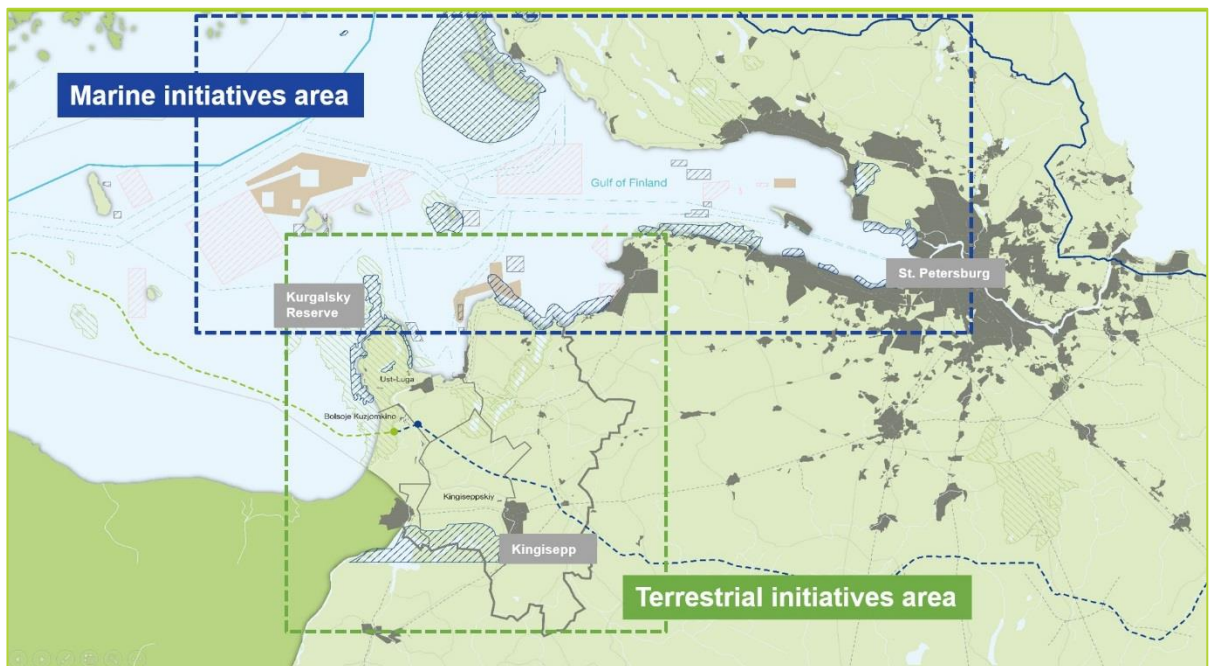


Fig. 2 ECo-I to benefit the entire Kingisepp district

2. Statutory Compensation Measures

The Russian environmental authority (Rospirodnadzor) approved the list of statutory compensation measures and their scope in January 2018 as part of the positive conclusion on the project documentation in Russia. Compensation measures apply to the construction corridor and areas in its immediate vicinity.

- Approved compensation activities include:
 - Installation of six artificial nesting platforms for the white-tailed eagle and other large birds;
 - Release of high-value fish fry;
 - Compensation fees for air emissions, solid waste generation, waste water discharges, etc.

In spring 2019, Nord Stream 2 released 146,000 Atlantic salmon juveniles and 37,000 brown trout juveniles into rivers in the Russian part of the Gulf of Finland as compensation for potential temporary damage to fisheries during construction of the Nord Stream 2 Pipeline in Russian waters (see [here](#)). This release, as well as the first in May 2018 when around 170,000 juveniles were released, represents the largest compensatory fish releases to have been carried out in the region over recent years. The compensatory release of fish juveniles as part of the Nord Stream 2 project will continue in coming years.

Before construction works commenced, in early 2018 six artificial nesting platforms were installed to provide alternative breeding sites for the eagle and other large birds in the southern part of the Kurgalsky reserve. Ornithological monitoring has been ongoing since then with the help of leading regional experts.



3. Biodiversity Enhancement Initiatives

Biodiversity enhancement initiatives in the terrestrial environment will focus on the entire Kurgalsky nature reserve and, in the marine environment, throughout the eastern part of the Gulf of Finland. They provide an opportunity for the company to demonstrate its commitment to implementing the project responsibly in the Kurgalsky nature reserve, a protected area, recognized internationally, and achieve a net gain on the biodiversity value of the Kurgalsky peninsula, as required by IFC Performance Standard 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources).

The Biodiversity Action Plan (BAP) & the Kurgalsky Management Plan at the Core of Biodiversity Enhancement

As a means to setting these initiatives in motion, in early 2018 Nord Stream 2 has developed a draft Biodiversity Action Plan (BAP) for the Kurgalsky reserve, with the support of leading Russian and international consulting companies. The plan is based on a comprehensive ecological study that covered the entire Kurgalsky peninsula and was conducted over six months, in accordance with an established international methodology, as well as on a critical habitat assessment and a Ramsar integrity assessment.

With a view to achieving a net gain on the biodiversity value of the Kurgalsky peninsula, the following areas have been preliminary identified as priorities within the BAP:

- > Biodiversity conservation
- > Sustainable use of territories
- > Scientific research

In September 2018, Nord Stream 2 commissioned development of a **Management Plan for the Kurgalsky reserve** to Strelka KB, the leading company in spatial development strategies in Russia. The development of the Management Plan for the Kurgalsky reserve is a key component of the Biodiversity Action Plan. The Plan will serve as an administrative tool for enforcement of conservation objectives in the medium and long term, in line with regional legislation.

Robust Research Programme to Support the BAP Implementation

In addition to developing the Kurgalsky Management Plan and as part of the BAP implementation, Nord Stream 2 is supporting a whole range of research projects and initiatives. Several initiatives were implemented in 2018, with more are still ongoing or planned to be executed in 2019. The data obtained as a result of these surveys and studies would feed the Management Plan development and contribute to our knowledge about environmental conditions in the Kurgalsky area and the Gulf of Finland.

2018 Kurgalsky Tourism Load Study

In 2018, St Petersburg State University conducted a complex tourism load study in the Kurgalsky reserve at the request of Nord Stream 2. As part of this assignment, the experts studied the intensity and primary routes of tourist flows in and around the reserve, popular types of leisure and means of transport used, as well as prospects of eco-tourism development in the area. A whole range of methods was used such as



public opinion polls, in-depth interviews with tourists and experts on the ground, focus groups with community stakeholders, as well as digital anthropology tools.

The data and the results of this complex study provide essential input for the development of the Kurgalsky Management Plan.

2018-2019 Invasive Species Study and Hogweed Eradication Campaign

The penetration and spread of invasive (alien) plant species is one of the threats to the biodiversity value of the Kurgalsky nature reserve. With the support of Nord Stream 2, a unique study of invasive plant species in the reserve and adjacent territories was performed over summer 2018. Experts from the All-Russian Institute of Plant Genetic Resources (VIR), the leading Russian research institute in plant genetics, compiled descriptions of 98 sites, 30 local populations and 96 locations of individual plants of invasive species. Six monitoring sites were established as a result of the research. Assessment of infested territories made it possible to determine how invasive species penetrated the reserve and design a comprehensive eradication programme with the aim to contribute to preserving biodiversity of this protected area.

In particular, the study revealed that *Heracleum sosnowskyi* (Sosnowsky's hogweed) poses the greatest threat due to its aggressive & rapid spread. Drawing on the results of the 2018 studies, the company kick-started a hogweed eradication campaign in the Kurgalsky reserve and adjacent territories, mainly within the Kuzemkinsky rural settlement. The project began in May 2019 under the supervision of the VIR experts; given that the use of herbicides is prohibited in the reserve as well as in water protection zones, the hogweed is being removed manually.

As part of the activities, 150 hectares of hogweed in the Kurgalsky reserve and adjacent areas (total area of about 40 thousand hectares) will be treated.

2017-2019 Telemetry Studies of the Baltic Ringed Seals in the Gulf of Finland

For the third consecutive season, Nord Stream 2 is supporting the telemetry study of the Baltic ringed seals in the Gulf of Finland (see the video on [*Telemetry Studies of Baltic Ringed Seals in the Gulf of Finland*](#)). Launched in summer 2017, the scientific project is being carried out by an international group of experts.

The Gulf of Finland ringed seal population is currently very vulnerable, with estimated numbers of just around 100 individuals, with no sign of recovery and an observed negative trend in population size over the past two generations (30-40 years). Comprehensive data on seal behaviour and movement patterns is vital for developing an effective strategy to preserve these protected species.

Marking **eleven animals with telemetry tags** during the first two field seasons makes our project the most extensive telemetry study of ringed seals in the Gulf of Finland to date. The results obtained so far concurs with the earlier knowledge about the ringed seal distribution in this area. However, the recorded trend in habitat use shows **further shrinking in the home range**. The relation between density and distribution suggests that a reduction in population size lead to population concentration in the best available habitats, since competition is low. The data also shows that the foraging and breeding areas have distinct geographical differences.



The third season of studies began in May 2019. Three independent teams are working in the Kurgalsky peninsula and the islands of Moschnyi and Malyy Tyuters. Through these additional deployments distribution of the Baltic ringed seals and key habitats will be analysed in more detail, which will enable to define potential environmental and anthropogenic factors that affect the wellbeing of animals and contribute to the development of an effective conservation strategy of the species.

The project's experts have been presenting the results of the study to the scientific community and the public since the early stages of the project implementation (for more details, please see: *First Results of Baltic Seal Telemetry Studies Obtained* and *Nord Stream 2 Presents Results of Compensation Measures and Biodiversity Enhancement Initiatives at the "Gulf of Finland" Forum*.) The obtained data have been also released through HELCOM Seal Expert Group so it could be used in the development of a conservation strategy to safeguard the population of the Baltic ringed seals.

Preventing Habitat Loss: Enhancement of Kurgalsky Fire Fighting System (2018)

In the summer of 2018, Nord Stream 2 supported the Kingisepp Forestry Unit with the maintenance of firebreaks that serve to prevent fires in the Kurgalsky reserve. Firebreaks are designed as ditches with tapered walls dug down to the natural mineral layer. Maintaining firebreaks in good condition is very important as they prevent the spread of creeping fires in the forest, thereby preserving the biodiversity.

As part of this initiative, over 80 km of the existing firebreaks across all over the reserve were ploughed to redistribute and smooth out the mineral layer. The configuration of firebreaks was also corrected using a ploughs. This work took two weeks to complete.

The company also handed over to the Kingisepp Forestry Unity a fire monitoring CCTV-camera that will be installed in the southern part of the Kurgalsky reserve and connected with the regional fire detection system.

4. Community Initiatives

Community initiatives are being implemented in close cooperation with the regional and local authorities so as to contribute towards achieving sustainable development goals by bringing important infrastructure and creating educational incentives for the Kingisepp communities. They primarily focus on the Kuzemkino, Bolshelutskoye and Ust-Luga rural settlements within the Kingisepp district that are located near the construction site or along the roads that are used to transport the necessary equipment and materials.

The program of social initiatives is being developed with a complex multi-stage process in place. It involves a thorough assessment of social and economic conditions and the indigenous population by independent consultants and an ongoing open dialogue and constant information exchange between Nord Stream 2, local villagers and the Leningrad regional authorities.

Within the framework of the ECo-I Strategy, large-scale community projects are planned alongside smaller initiatives; some of them have been already implemented.



Key priority areas for potential social initiatives include:

- > Social infrastructure improvement
 - Vulnerable groups support
 - Health care
 - Community interactions and culture
- > Educational incentives
 - Community safety
 - Environmental awareness

Partnership with the Izhora Museum in Vistino Rural Settlement and Construction of the Izhora Craft and Language Centre (2019)

In line with the ECo-I priorities and as part of its regional engagement to raise awareness of the project and strengthen neighborhood ties, for several years Nord Stream 2 has been supporting the Izhora Museum in Vistino rural settlement, Kingisepp district, in its educational programmes and cultural events that aim to preserve indigenous language, traditions and ethnic culture.

As a result of a detailed study of the indigenous peoples carried out in 2017 by a specialised consulting company in line with the Environmental and Social Performance Standards of the International Finance Corporation (Standard 7. Indigenous Peoples), it was established that no direct or indirect impacts on indigenous peoples could be expected from the Nord Stream 2 project. However, supporting the Izhora Museum's incentives pays a valuable contribution to the preservation of the unique indigenous culture.

In July 2019, the company launched a new community initiative alongside the Museum and local administration: constructing the Izhora Craft and Language Centre. The centre will give children and young adults a place to learn about the local heritage and traditional crafts (such as pottery). The 153m² facilities will house an exhibition hall, a pottery studio, a kiln and storage spaces. For pottery lessons, the centre will have the capacity for approximately 110 trainees working at their potter's wheels and 150 students making clay whistles. Annually, the centre is estimated to attract 400 tourists and visitors to its lectures and workshops. Construction is planned to be completed in 2020.

2018-2019 International Clean Beach Initiative

In September 2018, the international Clean Beach environmental and educational campaign was organised in Kurgalsky reserve with the support of Nord Stream 2. Countries from across the Baltic Sea region take part in this international initiative every year, starting from 2014 as part of HELCOM's litter programme.

Over 320 volunteers took part in the two-day initiative supported by Nord Stream 2. Approximately 3 tons of waste were collected from the coastal zones of Lake Lipovskoye and Narva Bay within the Kurgalsky reserve and properly disposed or recycled at authorized waste disposal companies.

The Initiative aimed to raise public awareness about environmental pollution and threats to biodiversity. Emphasis was made on environmental education for participants of all



ages to ensure a long lasting impact. In May 2018 and 2019, Nord Stream 2 also supported the Clean Beach initiative in St. Petersburg (for more details, please see: [Nord Stream 2 Supports International Clean Beach Initiative in the Kurgalsky Reserve](#)).

5. Sponsorship

Sponsorship is a voluntary commitment by Nord Stream 2 that, among other things, aims to raise awareness about the project and the company. Supported initiatives may have a less specific geographic range and focus on target groups in the broader Leningrad region.

Potential sponsorship initiatives may include:

- > Sponsorship of local cultural and educational initiatives;
- > Sponsorship of local sports clubs and events;
- > Initiatives promoting sustainable development among indigenous people.

The company aims to be a good neighbour to local residents and strives to participate in social life of the Kingisepp communities. In 2018-2019, a number of initiatives have been carried out to support local cultural and educational activities.

2018 Archaeological Summer School for the Kingisepp Teenagers

In August 2018, the company supported an Archaeological Summer School for more than 20 teenagers from the Kingisepp District, co-organized with the Leningrad branch of the Russian Geographical Society (RGO). The decision of Nord Stream 2 to support this project follows a comprehensive social assessment that led the company to prioritise promotion of education. A long-standing project of the Russian Geographical Society, the Summer Archaeological School aims to instil in children a respect for the local and regional history and also to help them develop professional skills.

In 2018, the educational curricula was specifically revised for children from the Kingisepp District and focused on local nature, history and traditions. A wide range of formats was used to engage every participant in the educational process: from lectures and field trips involving surveys, topography and terrain mapping, digging pits, collecting surface finds, analysing and processing the finds, to archaeological reconstruction of ceramic items and tours of the Ordovician outcroppings in the village of Lopukhinka, Koporya Fortress, and the Museum of Izhorian and Vote Culture. The school programme rounded off with a tea party hosted by Leningrad Region Governor, during which the young archaeologists showcased their finds.

Cultural Education Programme “My Land” for Kingisepp’s Teenagers (2019-2020)

Drawing on the successful experience of the Archaeological Summer School in 2018, in 2019 the company is supporting a new comprehensive programme named “My Land,” co-organised with the Leningrad branch of the Russian Geographical Society.

This is the first project of such a scale being performed by RGO in the Kingisepp District. The programme aims to raise awareness among the local youth about the unique natural



and cultural heritage of the Kingisepp District and the Outer Islands of the Gulf of Finland through talks, workshops, scientific and creative contests, guided tours and field trips.

During the first stage of the programme (March-May 2019), approximately 2000 children from 18 schools of the Kingisepp District explored the lesser-known elements of their local history, culture and environment, through a workshop cycle focusing on archaeology, history, geology, ornithology, zoology and other topics. Classes were led by experts, scientists, famous travellers and ethnographers from research centres and other institutions. In parallel with the workshops, around 120 school children took part in the creative research competition “We Know and Love Our Land,” with 37 children & 28 teachers having won the contest. Outstanding participants are to take part in the highlight of the programme: the Summer Field School. In addition, over spring, the open air exhibition “The Nature of the Leningrad Region” was running in Kingisepp and Ust-Luga, having attracted over 20,000 visitors.

During the second stage of the programme (May-June 2019) an exhibition to the Outer Islands of the Gulf of Finland took place, during which various scientists (archaeologists, ornithologists, land specialists, reserve and marine mammal experts) explored the islands and carried out seasonal field works.

The third stage of the programme (July 2019) envisages two field studies, run on the Moschny Island in the Gulf of Finland for 26 school children, as well as the Summer Field School on the mainland involving 31 school children.

Kingisepp 635-Anniversary City Day Celebration (2019)

On 8 June Nord stream 2 supported the biggest public event in Kingisepp - the city Day's celebration, hosting a theme zone, where children took part in various entertainment activities on eco topics, and adults learned more about the company. Over 900 became visitors of interactive activities.



For more information, please visit our website: <https://www.nord-stream2.com/>.

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About Nord Stream 2

Nord Stream 2 is a planned pipeline through the Baltic Sea, which will transport natural gas over 1,230 km from the world's largest gas reserves in Russia via the most efficient route to consumers in Europe. Nord Stream 2 will largely follow the route and technical concept of the successful Nord Stream Pipeline. The new pipeline will have the capacity to transport 55 billion cubic metres of gas per year, enough to supply 26 million European households. This secure supply of natural gas with its low CO₂ emissions will also contribute to Europe's objective to have a more climate-friendly energy mix with gas substituting for coal in power generation and providing back-up for intermittent renewable sources of energy such as wind and solar power.

www.nord-stream2.com