BUSINESS CONTRIBUTION TO

SDGs ACHIEVEMENT

Experience of Sakhalin Energy

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Head of Communications and Media Relations
Sakhalin Island

Sakhalin Oblast is located on 59 islands.

**Sakhalin Island:**
- the biggest island in the RF;
- territory – 87,1 thousand km$^2$;
- length – 948 km;
- mountain areas – 66%;
- seismically active area;
- rich onshore and offshore wildlife;
- population density – appr. 500 000 people;
- regional centre: Yuzhno-Sakhalinsk.
Sakhalin Energy

• Investor and the operator of the Sakhalin-2 project.
• Established in 1994 to develop Lunskoye and Piltun-Astokhskoye license areas.

Company’s shareholders

*ГАЗПРОМ*  
50% (+1 share)

*Shell*  
27.5% (-1 share)

*Mitsui & Co.*  
12.5%

*Mitsubishi Corporation*  
10%
Sakhalin-2 Project

- Offshore oil and gas platforms: Piltun-Astokhskaya-A (Molikpaq), Piltun-Astokhskaya-B and Lunskaya-A.
- Onshore processing facility (OPF)
- Trans-Sakhalin pipeline system to carry oil and gas from the platforms to the south of the island.
- Prigorodnoye production complex consisting of oil export terminal and the first Russian LNG plant.
Supplies of Sakhalin Oil and LNG (2018)

LNG sales market structure, %

- Japan: 59.24%
- South Korea: 20.25%
- Taiwan: 16.53%
- China: 3.96%

Oil sales market structure, %

- China: 36.48%
- Japan: 22.6%
- South Korea: 39.5%
- USA: 1.42%
Corporate social responsibility

Sakhalin Energy endeavours to take a lead on sustainable development taking into account the Sustainable Development Goals set forth in the UN SD Agenda 2030.

The company actively participates in the development of standards and directive documents in the field of business and human rights.
Sakhalin Energy and Indigenous Peoples

- App. 4,000 indigenous peoples live in Sakhalin
- Seven districts of traditional residence
- Four major ethnic groups: the Nivkhi, the Nanai, the Uilta, the Evenki
- Traditional IP activities: fishing, hunting, herding, gathering
- Late 1990s: intensive exploration of Sakhalin shelf
- Engagement with IP since 1994
- Development of the conceptually new engagement mechanism
- Sakhalin Indigenous Minorities Development Plan
Free Prior and Informed Consent

Working Group
- Partnership
- 3/4 members - indigenous

1st Round of Consultations
- Held in all IP communities
- Receiving suggestions

Previous SIMDP Final Evaluation
- Performed by External Monitor and independent IP representative
- Supplemented by Public Opinion Survey

2nd Round of Consultations
- Presentation of draft SIMDP in all IP communities
- Receiving recommendations

Special IP Conference
- Delegates formally elected in IP districts
- Discussion of updated draft SIMDP, receiving comments

STATEMENT OF CONSENT IS SIGNED
SIMDP Governance Structure 2016-2020

GOVERNING BOARD

EXECUTIVE COMMITTEE

COORDINATOR

FUND OF SOCIAL DEVELOPMENT
- Capacity Building
- Culture
- Healthcare
- Indigenous Sports
- Education

TRADITIONAL ECONOMIC ACTIVITIES SUPPORT PROGRAMME
- Capacity Building
- Business plans
- Self-sufficiency grants
- Micro-loans

MAJORITY OF MEMBERS ARE INDIGENOUS

EXPERT GROUP

INTERNAL MONITORING

EXTERNAL MONITORING

COORDINATOR

BUDGET DISTRIBUTION DECISION MAKING

DISTRICT COMMITTEES

EXTERNAL MONITORING
>800 projects

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
10 REDUCED INEQUALITIES
17 PARTNERSHIPS FOR THE GOALS
Enhance Awareness and Understanding: Maximum Transparency

- Mitigation Matrix
- Grievance Procedure
- Information boards in IP communities
- Regular information leaflets
- Regular consultations/information tours
- Information centers
- Etc.

In compliance with UN Guiding Principles on Business and Human Rights
Preservation, Promotion and Enhancement of Indigenous Languages
Thank you for your attention!