

Prepared by

Cryogas-Vysotsk Ltd.

Date

March 2021

OPERATION BIODIVERSITY MANAGEMENT PLAN

(BMP)

VYSOTSK LNG PROJECT



CONTENTS

| | |
|--|-----------|
| ACRONYMS | 4 |
| 1. INTRODUCTION | 5 |
| 1.1 Project Description | 5 |
| 1.2 Goals and Objectives of the BMP | 7 |
| 1.3 Framework BMP (Operation) Applicability | 8 |
| 1.4 Scope and Structure of the BMP (Operation) | 8 |
| 1.5 BMP Integration with Other Plans and Procedures within the corporate IMS | 8 |
| 1.6 Management of Change | 9 |
| 2. LEGAL AND OTHER APPLICABLE REQUIREMENTS | 10 |
| 2.1 Requirements and Standards Applicable to the Project | 10 |
| 2.2 Stakeholder Consultations | 11 |
| 3. ROLES AND RESPONSIBILITIES | 12 |
| 3.1 Company Policies | 12 |
| 3.2 BMP Implementation Responsibility | 12 |
| 4. BIODIVERSITY IN THE PROJECT AREA OF INFLUENCE | 14 |
| 4.1 Overview | 14 |
| 4.2 Impacts and Risks | 20 |
| 5. BIODIVERSITY MANAGEMENT PRIORITIES | 24 |
| 6. BIODIVERSITY ACTION PLAN | 25 |
| 7. MONITORING AND VERIFICATION | 29 |
| 7.1 General | 29 |
| 7.2 Non-compliance Identification and Corrective Actions | 29 |
| 7.3 Key Performance Indicators | 30 |
| 8. REPORTING | 31 |
| 8.1 Internal Reporting | 31 |
| 8.2 External Reporting | 31 |
| ANNEX 1. REGISTER OF COMPLETED BIODIVERSITY MANAGEMENT ACTIVITIES | 32 |

Issue **C**
Date **19.03.2021**
Prepared by **Pavel Maslov**
Checked by **Aleksey Yezupenok**
Approved by **Dmitry Schetkin**

Version Control Record

| Issue | Date | Prepared by | Checked by | Approved by | Description |
|-------|------------|-------------|------------|-------------|--|
| A | 03/08/2017 | YuF | TK | IS | Prepared by by: RAMBOLL ENVIRON in cooperation with BRANAN ENVIRONMENT LLC (final version) |
| B | 18/06/2018 | AV | AE, IS | IS | Prepared by by: RAMBOLL CIS (final version) |
| C | 19/03/2021 | PM | AE | DS | Prepared by by: Cryogas-Vysotsk Ltd. (final version) |
| | | | | | |
| | | | | | |
| | | | | | |

ACRONYMS

| | |
|--------|---|
| RF | Russian Federation |
| AO | Joint Stock Company |
| OAo | Open Joint Stock Company |
| OOO | Limited Liability Company |
| GPB | Gas Pipeline Branch |
| HS | Hydraulic Structure |
| IMS | Integrated Management System |
| CA/PA | corrective actions/preventive actions |
| KPI | Key Performance Indicators |
| LNGT | Liquefied Natural Gas Terminal |
| CSP | Commercial Sea Port |
| IFC | International Finance Corporation |
| ESIA | Environmental and Social Impact Assessment |
| OHS | Occupational Health and Safety |
| EP | Environmental Protection |
| E&SP | Environmental and Social Protection |
| OECD | Organisation for Economic Cooperation and Development |
| CRI | Corporate Regulatory Instrument |
| CR | Corporate Regulation |
| SEP | Stakeholder Engagement Plan |
| ESMP | Environmental and Social Management Plan |
| LNG | Liquefied Natural Gas |
| E&S | Environmental and Social |
| BMP | Biodiversity Management Plan |
| EPC | Engineering, Procurement and Construction |
| ESAP | Environmental and Social Action Plan |
| ESMS | Environmental and Social Management System |
| EHS | Environment, Health and Safety |
| IFC | International Finance Corporation |
| IPIECA | International Petroleum Industry Environmental Conservation Association |
| IOGP | International Organization of Oil and Gas Producers |
| IUCN | International Union for Conservation of Nature |

1. INTRODUCTION

1.1 Project Description

Cryogas-Vysotsk Ltd. successfully carried out the project named "Terminal for production and transshipment of liquefied natural gas in the port of Vysotsk in Leningrad Region, with the production capacity of 660,000 tons of LNG per year, including a gas pipeline branch connected to Leningrad-Vyborg main gas pipeline" (hereinafter – Vysotsk LNG, the Project) and is the Project Operator.

The Project site is located in the Vyborg District of Leningrad Region. The region borders with Finland to the west, Republic of Karelia to the north, Priozersk district to the north-east, Vsevolozhsk district of the Leningrad region to the east, and with Saint-Petersburg, City of federal importance, to the south-east (see Figure 1.1).

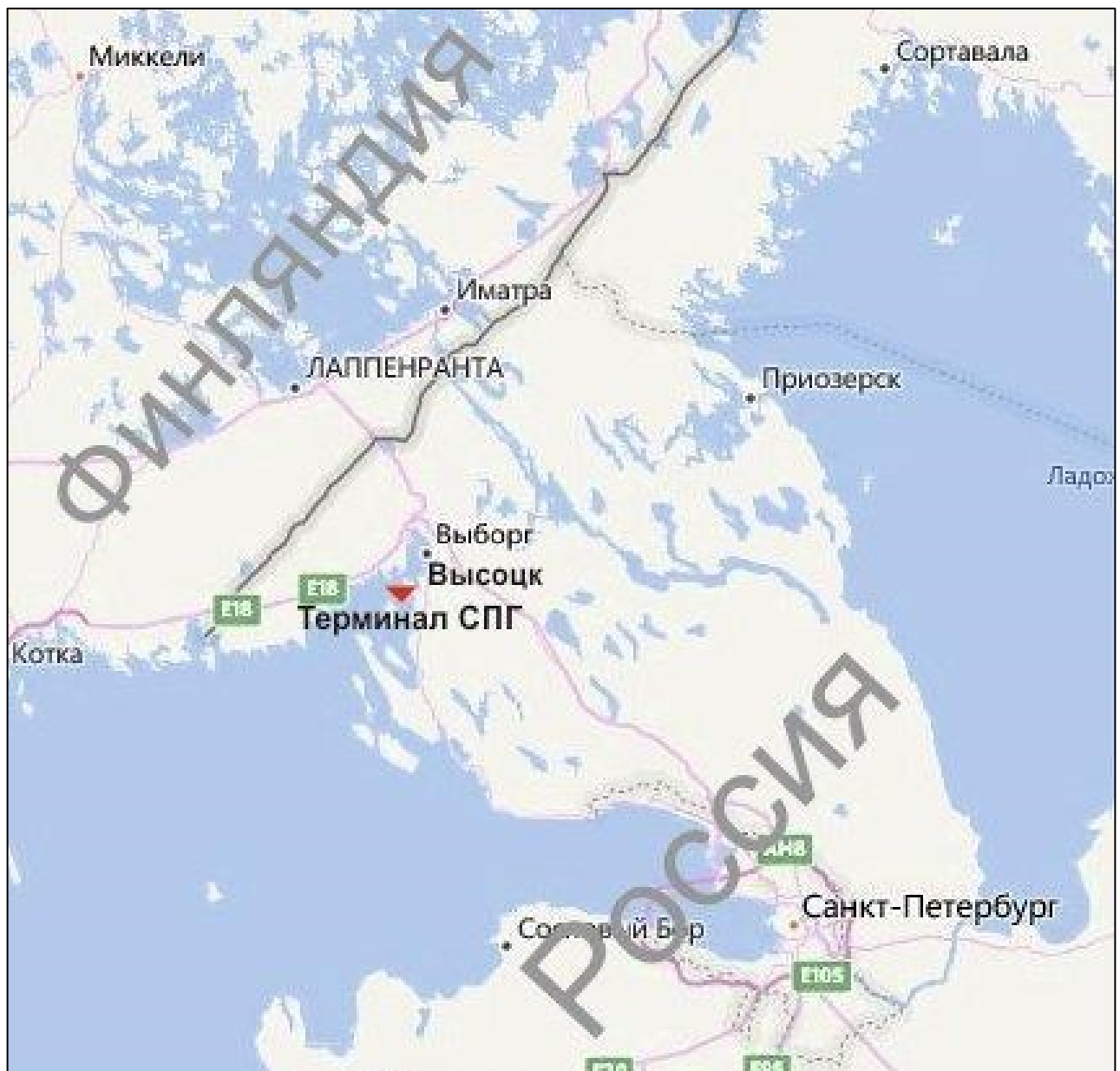


Figure 1.1 - Project location map

The following main facilities have been constructed for the Project:

- Berth facilities comprising two jetties for offloading and bunkering of LNG carriers;
- Gas pipeline branch of the Leningrad-Vyborg-State Border main gas pipeline leading to the LNG Terminal in the Port of Vysotsk in Vyborg District, Leningrad Region (hereinafter - the GPB);
- Terminal for production and handling of LNG in the Port of Vysotsk, Leningrad Region, with the production capacity of 660,000 tons of LNG per year (hereinafter - the Terminal);
- Supporting infrastructure: local roads, aerial electrical transmission lines, storage and maintenance facilities, emergency fuel storage site, water and wastewater systems, waste incineration system, and other facilities including workers' accommodation.

The LNG Terminal is intended for reception of the feed gas supplied by the gas pipeline branch, pre-treatment of gas, production, storage and offloading of LNG to consumers. Gas transportation by sea is provided using gas carriers with design capacity of up to 30,000 m³. The liquefied natural gas produced at the Terminal can be supplied both for domestic market and for export.

The location of the Gas Pipeline Branch is shown in Figure 1.2. The location of the LNG Terminal is shown in Figure 1.3.



Figure 1.2 - Gas Pipeline Branch location map

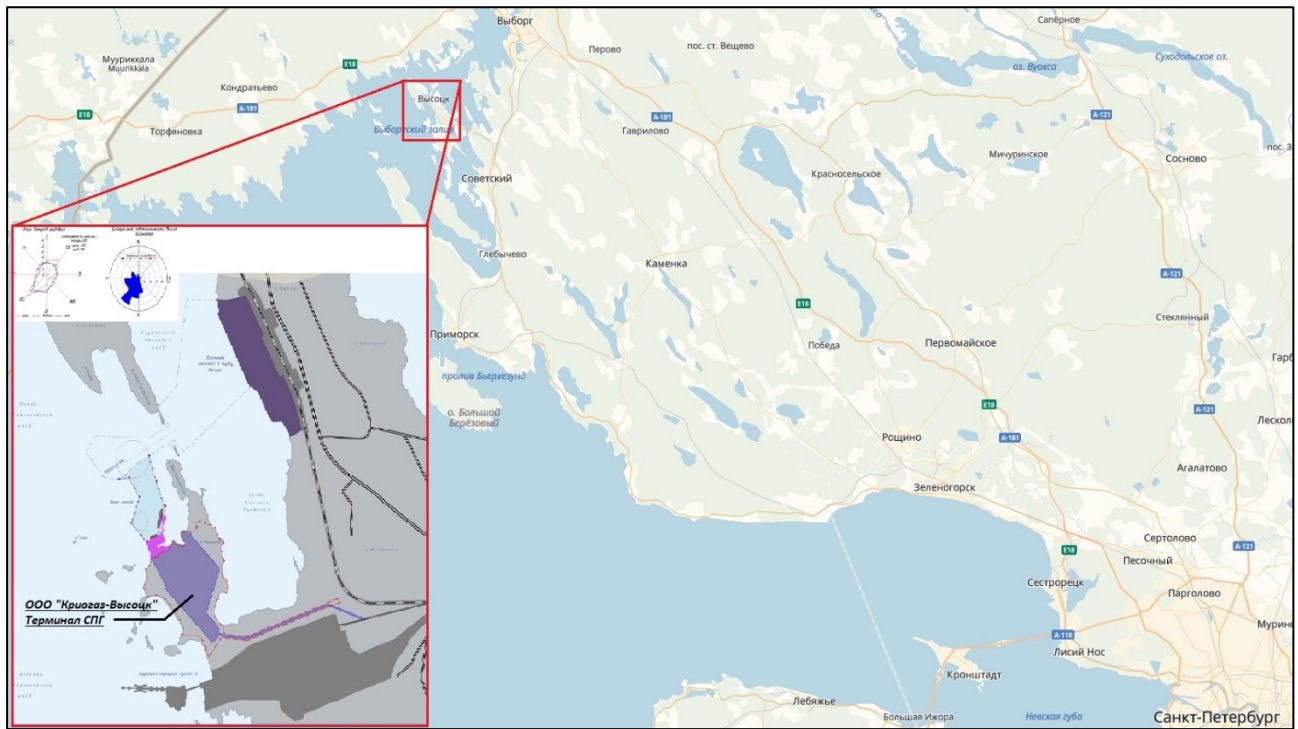


Figure 1.3 - LNG Terminal location map

A more detailed description of the Project is provided in the Environmental and Social Management Plan for the Operation stage (ESMP (Operation)) and other Project documents.

1.2 Goals and Objectives of the BMP

The Project implemented by Cryogas-Vysotsk Ltd. has been identified as a Category A project according to the criteria of the Equator Principles Financial Institutions (EPFI). This category implies that the scale and nature of potential environmental and social impacts extend beyond the boundaries of the Project sites, triggering the need to develop and implement special mitigation measures.

In accordance with the Equator Principles, the Company has adopted and maintains an Environmental and Social Management System (ESMS) which is regulated by the following (key) CRs developed with reference to the IFC Performance Standards (*IFC Standards*) and the World Bank Group Environmental, Health and Safety Guidelines (*EHS Guidelines*):

- ✓ Environmental and Social Management Plan (ESMP);
- ✓ Stakeholder Engagement Plan (SEP);
- ✓ Social Investment Plan (SIP);
- ✓ Manual and Procedures of the Corporate EHS IMS (developed in line with the *ISO 45001:2018* and *ISO 14001:2015*).

This Biodiversity Management Plan (the Plan, or the BMP) is developed to ensure compliance of the requirements of the International Financial Institutions, and is a part of the corporate Integrated Environmental and Social Management System. The overall goal of the Plan is to identify and the manage risks and impacts to biodiversity associated with the Project activities during the operation phase.

The BMP provides the consistent approach for responsible management of biodiversity issues through the thorough planning process, involving the following elements:

- ✓ Determination of legal and other applicable requirements;
- ✓ Identification of the key risks and priorities that require control and management;

- ✓ Development of the management framework and assignment of responsibilities for implementation of the Plan;
- ✓ Development of biodiversity targets and indicators;
- ✓ Development of the biodiversity management measures;
- ✓ Performance monitoring of the above measures.

This Plan is a corporate regulation which is approved by the Company Order and mandatory.

1.3 Framework BMP (Operation) Applicability

The BMP is applicable to all Project activities of the Company and proposes measures that can be divided into the following groups:

1. Reduction of the negative impact on the biological components of the ecosystem in the Project area;
2. Long-term monitoring (assessment of development) of the actual status of biological components of the ecosystem in the Project area in the context of the negative environmental impact;
3. Compensation of damage caused to the biological components of the ecosystem in the Project area.

1.4 Scope and Structure of the BMP (Operation)

The BMP (Operation) includes:

- Section 2. Legal framework and other basic requirements providing the basis for the BMP development.
- Section 3. Description of the corporate management system in terms of the biodiversity management.
- Section 4. Biodiversity in the Project area of influence, as well as impacts and risks related to the Project operation.
- Section 5. Biodiversity management priorities of the Company in the Project area of influence.
- Section 6. Future biodiversity management activities of the Company.
- Section 7. Progress monitoring of the BMP (Operation).
- Section 8. Reporting procedures for the implementation of BMP (Operation).

1.5 BMP Integration with Other Plans and Procedures within the corporate IMS

The BMP sets the basic approach and mechanisms for biodiversity management in the Project area of influence during the operation phase. The BMP, similarly to other corporate Plans (refer to Section 1.2), is a part of the overall Integrated Management System and is consistent with it.

The following main documents of Cryogas-Vysotsk Ltd. are related to the BMP and regulation of biodiversity management:

- ✓ Corporate Environmental, Social, Health and Safety Policy and Commitments;
- ✓ Project Environmental and Social Standards;
- ✓ Environmental and Social Management Plan;
- ✓ Operational Environmental Monitoring Programme;
- ✓ Operational Environmental Control Programme.

1.6 Management of Change

The BMP (Operation) is a living document and is subject to adjustment in certain situations. The BMP is subject to revision every five years (mandatory) or in case of need to replace, modify or remove specific provisions, fragments of the document, or to add new provisions. Revisions of the Plan may be triggered by changes in the Project status, Company's structure, new procedures/activities (as a result of internal inspections and audits), and also changes in the legal framework.

To ensure an adaptive management of the BMP (Operation) the following activities will be carried out:

- Reviewing and updating the BMP (Operation) in accordance with the project status as it progresses. The key information about any changes in the Project will be regularly reviewed by competent officers of Cryogas-Vysotsk Ltd.;
- Results of monitoring and other studies may trigger changes and amendments to the Plan;
- Regular (annual) performance assessment of the Plan.

The BMP (Operation) will be updated/amended as appropriate to ensure safe and efficient management of biodiversity issues commensurate with the Project scale.

2. LEGAL AND OTHER APPLICABLE REQUIREMENTS

2.1 Requirements and Standards Applicable to the Project

Documents referenced for development of the biodiversity management requirements in the BMP are as follows:

- International conventions and agreements:
 - Convention on Biological Diversity, 1992;
 - Convention on the Conservation of Migratory Species of Wild Animals, 1979;
 - Convention on the Protection of the Marine Environment of the Baltic Sea, 1992;
- Legislation of the Russian Federation:
 - Federal Law "On Environmental Protection" dated 10.01.2002 No.7-FZ;
 - Federal Law "Forest Code of the Russian Federation" of 04.12.2006 No. 200-FZ;
 - Federal Law "On animals" of 24.04.1995 No. 52-FZ;
 - Federal Law "On fishery and water biological resource conservation" of 20.12.2004 No. 166-FZ;
- Documents describing requirements and recommendations of the International Finance Institutions:
 - The Equator Principles (2013)¹;
 - The IFC Performance Standards (2012)²;
 - Environmental, social, health and safety guidelines of the World Bank Group (World Bank EHS Guidelines) (2012).

The World Bank EHS Guidelines are technical reference documents with general and industry-specific examples of Good International Industry Practice. The EHS Guidelines contain the performance levels and measures that are generally considered to be achievable in new facilities by existing technology at reasonable costs. The EHS recommendations applicable to the Project are set in the following documents:

- *EHS Guidelines for Natural Gas Processing;*
- *EHS Guidelines for Ports, Harbours, and Terminals;*
- *EHS Guidelines for Natural Gas Facilities;*
- ESIA materials prepared by *Ramboll Environ* (now *Ramboll CIS*) in cooperation with *Branan Environment*;
- Environmental and Social Action Plan (ESAP).

Adhering to the Project Standards requirements and Plans is mandatory for Cryogas-Vysotsk Ltd.

¹ <http://equator-principles.com/about/>

² http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards

2.2 Stakeholder Consultations

The main stakeholder engagement activities at the regional and local levels were conducted during the ESIA process, including the public hearings, consultations with local communities, business entities, land owners and users, federal and regional authorities.

The ESIA Report provides a comprehensive analysis of the risks and impacts on the natural environment in the Project area of influence, including a wide range of biotic components (habitats, populations of threatened and commercial species, ecosystem services, etc.) The ESIA findings and assessment form the basis of the BMP (Construction), as well as this BMP.

Further engagement with the Project stakeholders, including on the biodiversity management issues, is conducted in accordance with the developed and approved SEP (Operation).

3. ROLES AND RESPONSIBILITIES

3.1 Company Policies

The Company's environmental, social, health and safety Policy and Commitments were adopted in 2017 by the Order of Cryogas-Vysotsk Ltd. No.71/1 of 20.11.2017. The Policy identifies the basic principles of the Company's biodiversity management activities:

- Identification of significant environmental, health and safety (EHS) aspects and risks for the personnel of the Company and contractors, and local communities;
- Reasonable use of natural resources, reclamation of disturbed land, protection and conservation of biological diversity;
- Fostering a careful attitude to natural resources among personnel, contractors, partners, local communities in the Vyborg district and Leningrad region, as well as other stakeholders, where possible.

Cryogas-Vysotsk Ltd. conducts regular awareness raising activities for the Project personnel and stakeholders within the framework of the corporate EHS Policy.

The Company's Policy and Commitments are communicated to all stakeholders by the following methods:

- Communicating the corporate orders to the Company's personnel by means of intranet system, or familiarization against written acknowledgement;
- Publication at the website of parent company (PJSC NOVATEK);
- Work meetings, personnel assemblies;
- Meetings and discussions of social issues with stakeholders;
- Briefings for the Company visitors and contractors' personnel working at the Project sites;
- By including the Policy as an appendix into the Company's business contracts.

3.2 BMP Implementation Responsibility

Biodiversity management is the sphere of responsibility of the HSE Department and the Company's Management. Other divisions within the Company's organization, its officers and contractors are involved or can be involved in management of biodiversity, depending on their specific functions and competences, and also as a voluntary initiative (subject to agreement with the HSE Department).

Table 3.1 below shows distribution of responsibility for biodiversity management activities between the Company divisions.

Table 3.1 – Responsibility for implementation of BMP

| Activity | Key responsible divisions |
|--|--|
| Engagement with local communities and stakeholders on the biodiversity management issues | Deputy General Director - Chief Engineer; HSE Department |
| Planning and finance | Deputy General Director on economy and finance HSE Department Planning and Economic Department |

| Activity | Key responsible divisions |
|---|---|
| Implementation of investment programmes | Deputy General Director - Chief Engineer; HSE Department |
| BMP progress monitoring, reporting and liaison with the Lenders' Consultant | Deputy General Director - Chief Engineer; HSE Department |

All key decisions relating to biodiversity management are subject to approval by the General Director.

The officer of HSE Department responsible for the BMP implementation shall on a quarterly basis (by the 20th day of the month following the reporting quarter) draw up information on the progress of BMP and submits it for review to the Company's Management (on request).

Division responsible for preparation of regular reports for the Lenders' Independent Consultant is also the HSE Department.

4. BIODIVERSITY IN THE PROJECT AREA OF INFLUENCE

The Project area of influence covers the territory of Ryuevyalinniemi Peninsula, a part of the Vyborg district of Leningrad region (the linear section of the gas pipeline branch), and water area in the Gulf of Finland (Vyborg Bay) of the Baltic Sea (water area of the LNG Terminal and marine sections of the gas pipeline branch).

The entire waters of the Baltic Sea are the internationally recognized area of the global significance and protected by the special Regional HELCOM Convention, and is considered as a Particularly Sensitive Sea Area by International Maritime Organization. In 2014 the Baltic Sea was included in the list of Environmentally and Biologically Significant Areas under the Convention on Biological Diversity.

Considering its importance for evolutionary processes, migratory birds sites and paths, presence of restricted range and endemic species, the marine ecosystems of the Vyborg Bay match the criteria of Critical Habitats. Before implementation of the Project, the terrestrial forest ecosystems of Ryuevyalinniemi Peninsula represented a natural habitat (characteristic of the region) however significantly depleted by long-term anthropogenic impact (tourism, industrial development, etc.).

It is important to note that Vyborg district in general and the Project sites in particular (both offshore and onshore) were exposed to significant anthropogenic pressure also before the Project, due to the existing settlements, operating industries and port infrastructure (terminals, approach routes, moorings, etc.).

For the Project construction, forest was completely cleared on 59% of Ryuevyalinniemi Peninsula (33.07 ha), and within the right-of-way of the gas pipeline branch (126.63 ha). An area of 1.71 ha in the Vyborg Bay waters was permanently acquired for construction of the hydraulic structures.

The contribution of the Project to the total anthropogenic load on the environment was assessed in detail at the stage of development of the Project design documentation (ESIA), and will be discussed in Section 5 of this Plan. It is important to note that operational environmental monitoring (2017-2020) did not identify any significant changes in the natural components of the ecosystem of the Project area during the period of construction and after commissioning of the Project facilities.

4.1 Overview

Designated Conservation Areas (DCAs)

The land plots and water areas (rivers, streams, etc.) allocated for the Project facilities do not belong to any designated nature conservation areas at the federal or regional (local) level, their related protection zones, or areas earmarked for establishing new DCA.

The existing and planned DCAs nearest to the Project are:

- ✓ 4.76 km to the north - the Gustoy Island State Geological Natural Landmark;
- ✓ 2.77 km to the west - the Kivipark State Nature Reserve;
- ✓ 2.58 km to the south - the Vyborgsky State Nature Reserve;
- ✓ 3.96 km to the south-east - the Vesenny State Nature Reserve.

Vegetation

The Project area is occupied by forest and non-forest communities, mostly modified by economic activity. The vegetation cover follows an indistinct mosaic pattern.

The forest communities consist of coniferous and coniferous/small-leaved forests in various stages of regrowth.

The non-forest communities are areas disturbed by human activity, fallows and lowland swamps. The fallow communities are anthropogenic secondary phytocoenoses with a local range of distribution. They differ in

the stages of development, but most fallow communities are at the grass stage. The bog communities are represented by local small bogs in lowlands.

Among the technogenic phytocoenoses are: man-made transport facilities with severely disturbed or stripped soil and vegetation cover; corridors of linear facilities with partially disturbed soil and vegetation cover; felling areas overgrowing with open forest stand, and fresh with partially or completely disturbed soil and vegetation cover.

None of the moss, algae, fungi, lichens or vascular plants listed in the Red Data Books of the RF and/or Leningrad Region are present in the land area acquired for the Project. No plant communities in the area constitute unique landscapes or natural landmarks.

Only one species listed in the Red Data Book of Leningrad Region was found close by the gas pipeline branch - inundated club moss. Vascular plant species listed in the Red Data Books of the Russian Federation or Leningrad Region were also found in the area of the gas pipeline branch, namely: spiny quillwort, *Dactylorhiza baltica*, bog-myrtle, chives, dwarf cornel, common centaury and common tripolium. It is important to note that the route of the gas pipeline branch and the zone of its possible influence do not affect the known places of origin of the above species.

Invertebrates

Terrestrial invertebrates are represented by protozoa, flatworms, roundworms, annelids, mollusks and arthropods (a total of 41 insect species). The wide variety of biotopes in the area supports their sustainable growth.

Amphibians

The total of 7 amphibian species are registered in Leningrad Region. Two widespread species are found in the Project area: common frog (*Rana temporaria*) and common toad (*Bufo bufo*). These species inhabit a variety of habitats and fairly easily adapt to new environments. Conditions that have emerged so far are favourable, which is due to fragmentation of solid forest areas and availability of forest edges that provide a good forage base (diversity of plants and hence of variety of insects) and abundant shelters.

Reptiles

Out of the five reptile species registered in Leningrad Region, only three are found in the area of the LNG Terminal – viviparous lizard (*Lacerta vivipara*), common viper and grass snake.

Avifauna

The total of 312 species of birds are registered in Leningrad Region. The diversity of bird species within the study area is limited - only 7 species have been found. The scarcity of species diversity is due to the significant transformation of natural landscapes, the proximity of residential development areas and transport routes (motor and rail roads).

Birds are distributed very unevenly in the study area. Avifauna is more diverse in the secondary forests alternating with open spaces disturbed by human activity. These territories feature a relatively rich and varied forage base, and many places for shelter. The bird fauna of such territories is based on species of the forest Palaearctic and European broad-leaved faunistic groups.

A part of the White Sea - Baltic Sea migratory route of birds passes through the territory of the Vyborgsky district of Leningrad region and over the water area of the Vyborg Bay. Some bird species form numerous seasonal gatherings on this section of the migration route.

No seasonal accumulations, rest stations, molting or nesting sites of waterfowl have been found in the study area. However, the site directly borders the Vyborg Bay's area that is used by birds for rest and nesting during migratory flights.

The long-term records of bird counting at the rest stations indicate a serious decrease in the number of many massive and typical for the region migratory species (geese, Bewick's swan, whooper swan, common teal, Northern pintail, greater scaup, goldeneye, common merganser). At the same time, there is a slight increase in the number of few new species that appear in the region on passage (great crested grebe, great cormorant, gadwall, Northern shoveler, tufted duck, smew, red-breasted merganser, Eurasian coot, common redshank, herring gull, black-headed gull).

Mammals

At present, terrestrial fauna of Leningrad Region includes 58 species. In the less forested areas in the north-east and east, fauna diversity is richer than in the west and south-west.

Four mammal species are registered in the study area. The highest diversity is found in the coniferous/small-leaved forests, due to the significant areas occupied by these communities and the diversity of conditions. The common species are European mole (*Talpa europaea*), on forest edges – field vole (*Microtus agrestis*). Open areas are inhabited by tundra vole (*Microtus oeconomus*). Rodents are represented by the squirrel (*Sciurus vulgaris*). Beaver and otter (characteristic species of Leningrad Region) do not live in the Project area, due to the lack of suitable biotopes.

In general, mammals are characterized by a stable species composition, however, with a predominance of small mammals. Their area requirements are relatively small, so the animals can live in fragmented habitats.

No species listed in the Red Data Books of different ranks were recorded during the field survey. The permanent habitation of such species in the study area is unlikely, considering the lack of suitable biotopes and the degree of human-caused pressure.

Marine mammals

The species diversity of marine mammals is scarce. In the eastern part of the Gulf of Finland, marine mammal fauna includes two species listed in the RF Red Data Book: Baltic subspecies of ringed seal (*Phoca hispida botnica*) and grey seal (*Halichoerus grypus*).

The haul-out sites of grey seal and ringed seal are located on the shores of the Kurgalsky Peninsula, Kurgalsky reef islands, and the islands of Maly Tyuters and Vigrund to the north and north-west of Kurgalsky Peninsula. The seals migrate for wintering to the northern part of the central basin of the Baltic Sea. The main places of concentration of ringed seals are near the islands of Maly Kokker, Seskar, Kurgalsky and Kiskolsky reefs. The animal is also found in the Gulf of Riga mainly in the area of the islands of Hiiumaa and Saaremaa.

Grey seals are rare in the Russian part of the Gulf of Finland; they appear in the southern area of the Gulf. Ringed seals mainly live in the southern part of the bay, but not east of Seskar island. Ringed seals litter on the ice south or south-west of the Berezovye islands.

In the Vyborg Bay, there are four permanent haul-out sites apparently used by ringed seal. Two haul-out sites were found near the Kiperort Peninsula and two in the skerry area. Ringed seal is known to move in the Vyborg Bay as far as the city of Vyborg. There are no haul-out sites of ringed seal in the Project area.

Freshwater biological resources

The gas pipeline branch is routed across several waterbodies including the rivers of Perovka, Medyanka, Cherkasovka, Drema, Matrosovka, Tokarev stream, and nameless streams.

The rivers' ichthyofauna is based on widely spread species of fish: roach, silver bream, perch, dace, asp, bream, pike, ruff, etc. Cherkasovka, Matrosovka and Medyanka rivers provide spawning grounds for brown trout, are used for migration of salmonids and their juveniles, and serve as pastures for juvenile and maturing fish. These rivers belong to the top fishery category.

In the Tokarev stream, the main ichthyofauna species are roach, pike, perch, and some others. Spawning grounds and feeding areas for juvenile phytophilous fish are located in the stream. Unnamed streams are inhabited by a small number of Percidae and Cyprinidae species.

The waterbodies are not used for commercial fishing.

Marine biological resources

Macrophytes serve as a biotope for the most productive coastal communities of plankton and benthos. Thickets of aquatic vegetation are also a substrate for spawning of phytophilous fish and shelter for their juveniles.

In the upper and middle parts of the Vyborg Bay, aquatic vegetation occupies almost all shallow gulfs and bays, as well as shallows around the islands. The flora is represented by typical lacustrine species. The most common are thickets of lakeshore bulrush (*Scirpus lacustris*), common reed (*Phragmites australis*), dwarf white water lily (*Nymphaea candida*), yellow water-lily (*Nuphar lutea*), shining pondweed (*Potamogeton lucens*), claspingleaf pondweed (*P. perfoliatus*).

Phytoplankton, both live and dead (as detritus), is the basis of food for nonpredatory zooplankton, and for nonpredatory zoobenthos, when settled on the bottom.

In the upper and middle parts of the bay, predominating phytoplankton species are characteristic of shallow waters. During most of the vegetation season, the group of dominants consists of blue-green (*Limnothrix planctonica*, *Planktothrix agardhii*, *Aphanizomenon flos-aquae*) and green (chlorococcal *Scenedesmus acuminatus* and *S. quadricauda*). Other common contributors of the mass group are species of *Lyngbya* and *Phormidium* genera, as well as representatives of the euglena (gen. *Trachelomonas*) and cryptophytes (gen. *Cryptomonas*). The number of planktonic algae reaches 70 million cells/l, the biomass of phytoplankton during the peak period reaches 9-11 g/m³ in different years, and on average is 3 g/m³.

In the lower part of the bay, composition and numbers of phytoplankton are similar to those in the adjacent water areas of the open part of the Gulf of Finland. The biomass of planktonic algae averages about 0.5 g/m³ with the dominance of blue-green (*Planktothrix agardhii*, *Limnothrix planctonica*, *Gomphosphaeria lacustris*, *Nodularia spumigena*) and unicellular green (*Pyramimonas*).

By the level of phytoplankton development (biomass, concentration of chlorophyll "a"), the upper part of Vyborg Bay belongs to the class of eutrophic waters; the middle part of the Vyborg Bay is mesotrophic with significant signs of eutrophy; in the lower part the Vyborg Bay is mesotrophic (in some years - eutrophic).

Zooplankton is the main source of food for early juveniles of all fish species, as well as adult planktophagous fish.

In the upper and middle parts of the Vyborg Bay, representatives of the freshwater complex predominate in terms of the number of species; marine species are hardly present in this part of the Vyborg Bay. The group of common species in different seasons is composed of freshwater species of *Synchaeta*, *Conochilus*, *Polyarthra*, *Keratella*, *Euchlanis*, *Asplanchna* (rotifers), *Daphnia*, *Bosmina*, *Chydorus* (cladocerans), *Mesocyclops*, *Eurytemora* (copepods). Often, large forms of crustaceans are also present en masse, namely *Eurycercus*, *Bythotrephes*, *Polyphemus*, *Leptodora kindtii* (cladocerans) and *Heterocope* (copepods).

The maximum abundance of zooplankton in the coastal zone is 70 thousand unit/m³, in the deep-water - 170 thousand unit/m³, and is mainly composed of cladocerans and copepods. Zooplankton biomass varies considerably over time and space: in the coastal (littoral) zone - from 0.08 to 10 g/m³, in the deeper areas - from 0.1 to 2.0 g/m³; it mainly consists of copepods (up to 80%).

Zoobenthos is consumed by juveniles of many fish species and serves as the main food for adult benthophagous fish.

In the upper and middle parts of the bay, the species composition of benthos is quite diverse. The coastal part occupied by weakly silted sands is characterized by the presence of large mollusks, including gastropods (with a predominance of *Theodoxus fluviatilis*) and bivalves (gen. *Unionidae*). Besides mollusks, other components of zoobenthos are chironomid larvae, small oligochaetes, heleids, as well as large numbers of nematodes, ostracods, and water mites. In deeper waters, zoobenthos is scarcer than in shallow-water areas and is represented only by oligochaetes *Limnodrilus hoffmeisteri*, *Lumbriculus variegatus*, *Tubifex tubifex*) and chironomid larvae (*Procladius ferrugineus* and *Chironomus plumosus*).

The number of zoobenthos during the vegetation season ranges from 0.68 to 1.6 thousand unit/m², the total biomass - from 1.06 to 313.40 g/m², while up to 95% of the biomass is provided by mollusks. The average biomass of forage zoobenthos (without large mollusks) in 1990s was about 8 g/m², at the beginning of the last decade (during the period of intensive construction of the port of Vysotsk) it did not exceed 2 g/m². The current abundance of macrozoobenthos in the summer-autumn period in the Vyborg Bay (near the Project sites) varied within from 0.02 to 4.60 thousand unit/m², and the biomass ranged from 0.02 to 313.40 g/m² (the latter with abundance of mollusks).

Ichthyofauna of the Vyborg Bay

The fish community of the Vyborg Bay includes 28 fish species out of 69 fish species found in the Gulf of Finland. Nine types of fish form the basis of the ichthyocenosis: bream, pike perch, roach, perch, silver bream, pike, ruff, smelt and sabrefish. Herbivorous fish species are not present in the Gulf of Finland, like in other water bodies of the North-West region of Russia. Ichthyofauna of the Vyborg Bay is represented mainly by freshwater species.

The fish community of the Vyborg Bay has a rather similar structure, its features are determined by the remoteness of the surveyed areas from the open part of the Gulf of Finland. In the area of the Vysotsky Island, perch fish (ruff, pike perch) predominate both in spring and in summer, whereas near the Gruzny Island located closer to the open part of the bay, anadromous (smelt, whitefish, Siberian cisco) and brackish-water (herring) species are more abundant.

Salmon spawning in rivers begins in mid-June and lasts until freezing. The mass migration is usually observed in late September. The number of fish migrating through a particular area of the Gulf of Finland can vary significantly between years. Salmon is a species of high value and subject of conservation.

The Vyborg Bay, like the entire Gulf of Finland, is a fishery waterbody. The main objects of fishing in the Vyborg Bay are bream, smelt, pike perch, roach and perch.

Ecosystem services of value for local communities³

By the beginning of year 2021, agricultural sector in Vyborg District was represented by 29 farms, including four large and medium businesses. In the district, 20 farms produce agricultural products, 9 businesses are engaged in fishery. There are 84 family-based farms and more than 36.5 thousand private auxiliary farms.

During 12 months of year 2020, large and small farms produced 26569 tons of milk (104.1% of the previous year's output), 25019 tons of meat (91.4%), 1287 million eggs (106.2%).

During the same period, all agricultural businesses of the district produced 38039 tons of milk (104.5% of the previous year's output), 25462 tons of meat (92.8%), 1287 million eggs (106.2%), 4032 tons of vegetables (112.9%).

³ Official Viborg District web portal: <http://vbglenobl.ru/>

The total number of dairy cows in the district as of 01.01.2021 is 4442 heads, 44 heads more than last year. The district average yield of milk per 1 forage cow is 8633 kg, which is 132 kg more than the level of 2019, including 9274 kg for large and medium farms, 80 kg more in the previous year.

In 2020, vegetable growing enterprises produced 4032 tons of vegetables, including 4009 tons of "sheltered ground" vegetables, which is 112.8% of the output produced a year before.

The number of fur-bearing animals kept at the fur farm amounted to 11,105 heads, as of 01.01.2021, including the breeding stock of 8,070 heads of sable, which is the same as in the previous year. 11312 skins of fur-bearing animals were produced, 113.8% against the previous year.

During 12 months of year 2020, fish farms produced 6322 tons of marketable fish (106.2%), sold 3953 tons of fish products (122.2% against the same period of 2019).

Edible plants and mushrooms

The edible plants in the study area are those typical of the region: European bilberry, bog bilberry, lingonberry, raspberry, cloudberry and cranberry. The most common edible mushrooms are porcini mushrooms, orange-cap boletus, birch boletus, honey fungus, chanterelle, oyster mushrooms, later oyster, etc.

Summer residents actively use the areas adjacent to the Project sites for picking wild crops.

Medicinal plants

The following medicinal plants not officially recognized as medicinal products can be found in the Project area: plantain, nettle, coltsfoot, wild rosemary, lily of the valley, greater burdock, shepherd's purse, rosebay, pellitory.

Hunting

The valuable game species in the region are elk, squirrel, mole, marten, ferret, and Arctic hare. A part of the gas pipeline branch is routed across the state-owned forest areas managed by the North-Western and Roschino Forestry Departments.

The Project does not affect any formalized hunting areas.

Fishery

The main commercial species of fish are bream, smelt and, to a lesser degree, roach and perch.

There are no commercial fishery areas in the Project's area of influence. Local communities are engaged in recreational fishing from small boats and shore.

Endemic species

There are no species of animals or plants of an actual or potential value in the Project's area of influence. Species composition of the flora and fauna is typical of the region and, in general, is not unique.

Cultural heritage

There are no heritage sites of the peoples of the Russian Federation in the Project area. This information is confirmed by the Committee for Culture of Leningrad Region.

4.2 Impacts and Risks

The detailed impact assessment of the Project construction and operation on biodiversity in the Project area was conducted during the ESIA process.

This BMP considers the impacts and risks to the biological resources applicable at the Project operation stage, as well as respective management measures (Table 4.2.1).

Table 4.2.1 – Project impacts and risks to biological resources (operation phase)

| <i>Threats</i> | <i>Impacts</i> | <i>Risk level (unmitigated)</i> | <i>Description, and measures taken</i> | <i>Risk level (residual)</i> |
|-------------------------------------|---|--|--|---|
| Degradation of marine habitats | Pollution with wastewater Pollution of water area with waste Petroleum spills | Moderate | Measures taken by the Company to prevent the negative impact on the Vyborg Bay water area: - Timely maintenance of wastewater system; - Regular monitoring of effluent quality from the LNG Terminal; - Regular inspections of the water protection zones and removal of waste; - Prohibition of oil and lubricants handling within the water protection zones. Pollution of water from ships is regulated by international agreements and controlled by the port authorities. The Company carries out comprehensive monitoring of the marine ecosystem. | Low |
| Nuisance and loss of marine species | Noise of running ship engines and crushing ice Water abstraction for fire fighting Invasive species Collision of marine mammals with vessels | Low | Vyborg Bay has been actively used for shipping for many decades. In addition, the water area of the LNG Terminal adjoins the water areas of other port facilities and approach routes. Considering the cargo turnover of the Project and the existing technogenic load on the concerned section of the Vyborg Bay, contribution to the background underwater noise is insignificant. The intake ports of the fire water pumping station are equipped with fish protection screens. In terms of prevention of introduction of invasive species, changing the vessel ballast water is regulated by international agreements and controlled by the port authorities. The routes of movement of ships (access channels) are fixed and have been extensively used for many years. Marine mammals have adapted to these conditions and avoid encounters with ships (no collisions of ships with marine mammals are reported). | Extremely low |
| Degradation of fresh-water habitats | Not applicable during the operation | Extremely low | Timely inspection and maintenance of the gas pipeline branch in order to prevent accidents. | Extremely low |

| Threats | Impacts | Risk level (unmitigated) | Description, and measures taken | Risk level (residual) |
|--|--|-------------------------------------|--|----------------------------------|
| Nuisance and loss of fresh-water species | Not applicable during the operation | Extremely low | Timely inspection and maintenance of the gas pipeline branch in order to prevent accidents. | Extremely low |
| Degradation of terrestrial habitats | Air pollution Pollution of territory with waste Petroleum spills Development of DEGP&HP | Moderate | <p>In order to prevent excessive pollution emissions to the air, the Company provides timely maintenance of equipment and plant at the LNG Terminal, diagnostics of the gas pipeline branch. The Company monitors pollution emissions and atmospheric air quality at the border of the SPZ and the nearest housing area.</p> <p>The forest area adjacent to the LNG Terminal is closed for visits by local community and Project workers. The Company has made the following arrangements:</p> <ul style="list-style-type: none"> - Waste accumulation facilities are provided; - Regular inspection and cleaning of the territory in the Project's area of influence. <p>Handling of oil and lubricants outside dedicated facilities is prohibited. OSR Plan is developed and approved.</p> <p>An emergency rescue team is always on duty at the Terminal site.</p> <p>The route of the gas pipeline branch and the area adjacent to the LNG Terminal are regularly inspected for potential development of DEGP&HP.</p> | Low |
| Nuisance and loss of terrestrial species, including avifauna | Noise from operating equipment and plant of the LNG Terminal Presence of vehicles | Moderate | <p>The LNG Terminal is located in an industrial area with a steady high level of noise.</p> <p>Noise impact from the Terminal equipment and plant does not extend beyond the SPZ.</p> <p>The Company takes the following measures to prevent an increase in the noise load:</p> <ul style="list-style-type: none"> - Operating modes of the Project equipment and plant are observed; - Timely maintenance of the Project equipment and plant, including noise protection devices; - Noise levels are monitored at the border of the SPZ and the nearest housing area. <p>The movement of vehicles on the service roads along the gas pipeline branch is intermittent and short-term, the impact on biotic components is extremely low and does not require further mitigation.</p> | Low |

| <i>Threats</i> | <i>Impacts</i> | <i>Risk level (unmitigated)</i> | <i>Description, and measures taken</i> | <i>Risk level (residual)</i> |
|--|---|--|--|---|
| Nuisance and loss of protected species | Not applicable to the Project | - | - | - |
| Degradation and loss of DCA | Not applicable to the Project | - | - | - |
| Loss of ecosystem services | Hunting. Fishery. Wild crops picking. | Extremely low | The territory of the Ryuevyalinniemi Peninsula is closed for visits by the local community and Project workers. The route of the gas pipeline branch does not impede the movement of the local communities in the forest. No critical hunting, fishing or wild crop picking sites have been lost due to the Project. No further mitigation is needed in this respect. | Extremely low |

5. BIODIVERSITY MANAGEMENT PRIORITIES

As described above, the BMP and aspirations of the Company are focussed on minimizing the environmental impact of the Project operation in a long term, and on conservation of biodiversity and ecosystem services in the Project area, in the part that depends on the Company activities.

As part of the Project ESIA studies, the impact and risks to the biological components of ecosystem and ecosystem services during the Project operation was assessed as insignificant. The existing biodiversity exposed to the potential impact of the Project activities, has already been significantly modified by long-term anthropogenic pressure, and is dominated by common and widespread species that are resilient (adapted) to the negative factors. The Company's actions are focused on the biodiversity management issues that are considered important and, to one degree or another, may be dependent on the impacts of the Project.

The biodiversity management priorities of the Company are guided by generally accepted approaches and impacts of the Project (prioritizing the aspects on which the Project has no influence is considered irrelevant).

As a general rule, the key criteria for prioritization include the value attached to the species or habitat, and its protection at the regulatory level. Other parameters that are taken into account in the process of prioritizing are:

- ✓ Endangered species or ecosystems (including those that are not protected by the national legislation or are not fully protected);
- ✓ Areas of "natural" or relatively pristine habitat;
- ✓ Habitats and areas with high species/habitat diversity;
- ✓ Environments that are sensitive to potential impacts (such as certain types of wetlands);
- ✓ Areas and habitats where significant decline in population is recorded and may continue in the future;
- ✓ Species of economic or social importance;
- ✓ Areas and habitats considered important for the provision and maintenance of ecological processes and ecosystem services.

Considering all of the above, the Company has identified the following priorities for biodiversity management:

- ✓ Habitats (water area of the Baltic Sea within the Project's area of influence and the land acquisition for the Company's facilities);
- ✓ Populations and species (species diversity and avifauna populations in the area of the LNG Terminal and the Kivipark DCA);
- ✓ Ecosystem services of the Vyborg district of Leningrad Region.

6. BIODIVERSITY ACTION PLAN

| No. | Activity | Description | Timeframes | Division | Verification of performance |
|---|--|--|------------------------------------|---|---|
| 1. Reduction of the negative impact on the biological components of the ecosystem in the Project area; | | | | | |
| 1.1 | Adequate operation and current status of the Project facilities. | The Project is operated by the Company in strict compliance with the design and process regulations. The Company provides technical maintenance of the Project equipment and plant in a timely manner. The above provisions ensure the Project compliance with the applicable environmental limits (emissions, discharges, noise levels, etc.). | Throughout the Project life cycle. | HSE Department Other relevant divisions | Records of the Operational Environmental Monitoring. Project records of accidents and incidents. |
| 1.2 | Inspection of water protection zones and removal of waste within the Company's land plot | The Company regularly (at least quarterly during snowless period) inspects the water protection zones for presence of floating debris and small waste left by local community. All found waste is collected and moved to a dedicated accumulation site for further transfer to a licensed contractor for transportation, collection, treatment, recycling or disposal. | Throughout the Project life cycle. | HSE Department General Services Department | Visual inspection of the water protection zones during the audit (the criterion is absence of negative trends in the extent of pollution of the area). |
| 1.3 | Inspection of the right-of-way of the gas pipeline branch and removal of waste | The Company regularly (at least quarterly during snowless period) inspects the right-of-way of the gas pipeline branch for presence of small waste left by local community. All found waste is collected and moved to a dedicated accumulation site for further transfer to a licensed contractor for transportation, collection, treatment, recycling or disposal. | Throughout the Project life cycle. | HSE Department Line Maintenance Service | Visual inspection of the right-of-way of the gas pipeline branch during the audit (the criterion is absence of negative trends in the extent of pollution of the area). |
| 1.4 | Operational Environmental Control (OEC)* | Integrated measures for instrumental and analytical assessment of the negative environmental impact resulting from the Project operation. The main areas of control: - Pollution emissions (from the main sources at the Project sites) - at least annually; | Throughout the Project life cycle. | HSE Department | Quarterly OEC Reports |

| No. | Activity | Description | Timeframes | Division | Verification of performance |
|--|--|---|------------------------------------|----------------|----------------------------------|
| | | <ul style="list-style-type: none"> - Performance of the treatment facilities and effluent quality at the discharge to waterbody - at least monthly; - State of the waterbody at the point of treated effluent discharge - at least monthly. | | | |
| 2. Assessment of changes in the actual conditions of the biological components of ecosystem in the Project area (Operational Environmental Monitoring - OEM)* | | | | | |
| 2.1 | Monitoring of habitats of the biological components of ecosystem | <p>Main natural components that determine the conditions and development of biocoenoses:</p> <ol style="list-style-type: none"> 1. Atmospheric air Testing for chemical composition. Testing intervals: 2019 and two subsequent years - quarterly. 2. Physical impacts (noise). Measurement of noise levels at the day and night time. Testing intervals: 2019 and two subsequent years - quarterly. 3. Natural (sea) water. Testing for hydrochemical and toxicological parameters. Testing intervals: 2019-2021 - monthly (March-November). In absence of negative trends in the natural (sea) water quality, starting from year 2022 and further - quarterly. 4. Bottom sediments and soils Testing for geochemical and toxicological parameters. Testing intervals: 2019 and two subsequent years - annually. | Throughout the Project life cycle. | HSE Department | Quarterly and annual OEM Reports |
| 2.2 | Vegetation monitoring (terrestrial ecosystems and macrophytes) | Surveys of flora in the Project's area of influence (Ryuevyalinniemi Peninsula): 2019-2021 - annually (in summer). In absence of degradation of the plant communities, starting from 2022 and further - once in three years. | Throughout the Project life cycle. | HSE Department | Quarterly and annual OEM Reports |
| 2.3 | Fauna monitoring (birds and terrestrial mammals) | Fauna monitoring is conducted in the immediate area of influence of the Project (territory and water area of the Ryuevyalinniemi Peninsula), and in the area of the Kivipark DCA; Testing intervals: 2019-2021 - annually (summer and autumn). If no decline is identified in the wildlife population numbers and species diversity, starting from 2022 and further - once in three years (summer and autumn). | Throughout the Project life cycle. | HSE Department | Quarterly and annual OEM Reports |

| No. | Activity | Description | Timeframes | Division | Verification of performance |
|--|--|---|------------------------------------|-----------------|---|
| 2.4 | Monitoring of aquatic biological resources | Monitoring of the aquatic biological resources is conducted in the immediate area of influence of the Project (water area of the Vyborg Bay, Bolshaya Pikhtovaya bay, Malaya Pikhtovaya bay, Klyuchevskaya bay). Scope of survey: observations of phytoplankton, photosynthetic pigments, zooplankton, zoobenthos, ichthyofauna, including autumn migrations of salmonides. Testing intervals: 2019-2021 - twice a year (summer and autumn). If no degradation is identified in the aquatic biological resources, starting from 2022 and further - once in three years (summer and autumn). | Throughout the Project life cycle. | HSE Department | Quarterly and annual OEM Reports |
| 3. Compensation of damage caused to the biological components of the ecosystem in the Project area**. | | | | | |
| 3.1 | Creation of an ecological path in the Vyborgsky State Nature Reserve | The Company conducted a comprehensive review of compensation of the damage caused to the environment and ecosystem services in relation to the Project. Together with the Natural Resources Committee of Leningrad Region, creation of ecological path in the Vyborgsky State Nature Reserve was identified as the most expedient and effective measure in terms of biodiversity conservation and enhancing ecosystem services. This infrastructure facility will be located on the Kiperort Peninsula in the Vyborg District of Leningrad Region. Path length: Trail 1 - 17 km, Trail 2 - 14 km, Trail 3 - 5.5 km, Trail 4 - 8.5 km. Path type: hiking, cycling, skiing. Time of passage: 8-9 hours including stops. More than 10 points of interest, including natural and historical landmarks. Under the Agreement with the LR Natural Resources Committee, the Company will carry out: - Design works; - Cadastral works; - Purchase of materials and installation of infrastructure elements on the ecological path. | 2020 – 2021 | HSE Department | Agreement with the LR Natural Resources Committee Agreements with contractors Design documentation Visual inspection of the ecological path during the audit |

Note:

** A more detailed description of the scope of the Operational Environmental Control (OEC) and Operational Environmental Monitoring (OEM) is provided in the respective Programmes developed and approved by the Company.*

*** Earlier (in 2019-2020), the Company carried out compensation measures for the damage caused to the biological components of the environment. These measures are provided for in the Project design documentation and are regulated by the environmental law of the Russian Federation. These activities included:*

- Reclamation (technical and biological (application of fertilizers and sowing of perennial grasses) of land disturbed during construction of the gas pipeline branch, with the exception of land plots occupied by the surface sections of the pipeline (valve stations, etc.). The total area of land reclamation is 108.2784 ha.

- In order to compensate for the damage caused to the aquatic biological resources, according to the calculations in the EIA which were approved by the Federal Agency for Fisheries, 20,001 units of juvenile Atlantic salmon were been grown and released into the waterbodies of Leningrad Region.

7. MONITORING AND VERIFICATION

7.1 General

The process of BMP implementation monitoring and verification is a key management method for obtaining information on the efficiency and effectiveness of the Company's biodiversity management activities in the area of influence of the Project.

Activities under the BMP are monitored to verify that:

- The Company fulfils the assumed commitments in terms of biodiversity management in the Project area;
- Measures adopted by the Company are adequate considering the actual negative impact on the biological components of the environment;
- Compensation measures are carried out in full and are effective.

The key principle of monitoring and verification is implementation and maintenance of a system of monitoring, inspections and audits aimed at evaluating efficiency of the Company's biodiversity management activities.

BMP implementation and performance assessment will be verified by inspections and audits at various levels (Table 6.1).

Table 6.1 - Internal and External Audits and Inspections

| No. | Audit / Inspection type | Frequency |
|----------------------------|---|--|
| INTERNAL MONITORING | | |
| A1 | Regular inspections , Quarterly updates of the progress of BMP implementation (documents review and monitoring inspections). By the HSE Department | Quarterly |
| EXTERNAL AUDITS | | |
| B1 | Audit by Gazprombank | In accordance with schedule or unscheduled |
| B2 | Audit by representatives of Lenders // Lenders' Consultants. | Once a year |

7.2 Non-compliance Identification and Corrective Actions

The causes of all the non-compliances registered must be clearly identified, and the non-compliances identified by the audits and inspections must be addressed in a timely manner.

Non-compliance management based on audits and inspections means:

- Identification and initial registration of non-compliances;
- Identification of the non-compliance causes and assessment of the need to take corrective action (CA) to eliminate the non-compliance causes and their reoccurrence;
- Elimination of the non-compliances and mitigation of the impacts caused by the non-compliances – corrective action;
- Recording the CA results;

- Analysis of CA efficiency.

If CA has failed to bring the intended results, in other words, if the non-compliances persist or are very likely to reoccur following all the intended corrective actions, it will be necessary to make another review of the causes, and to plan and implement new CAs to allow complete elimination of the non-compliance cause. The review should also include an assessment of opportunities to improve and change the corporate Management System.

If the results of the OEM indicate stable negative trends in the state of the biological components of the ecosystem of the Project area, the Company should develop and implement corrective measures to stabilize situation, and this BMP is subject to revision.

7.3 Key Performance Indicators

In the course of the audits/assessments/inspections, the compliance assessment must be based on both qualitative and quantitative aspects to enable identification of non-compliances and potential improvement targets. Assessment should also make use of key performance indicators (KPIs). These indicators are used to assess the performance in dynamics.

Table 6.2 - Key Performance Indicators of the Biodiversity Management Plan

| KPI | Description | Target/Action Threshold | Reference |
|-------------|---|---|--|
| KPI-BMP01 | Pollution emissions and discharges, as well as noise impact within the applicable limits. | Negative impact on the biological components of the ecosystem within the design estimates (ensuring low risk for living organisms). | Results of OEC |
| KPI- BMP 02 | Adequate and timely operational environmental monitoring. | Biodiversity management decision-making based on reliable and up-to-date information. | Results of OEM |
| KPI- BMP 03 | Implementation of compensation measures. | Reducing the negative impact on the natural components of the Vyborgsky State Nature Reserve. Enhancement of ecosystem services in the Project area. | Expert assessment of changes in the anthropogenic load on the natural components of the DCA (LR Natural Resources Committee), 3 and 5 years after the implementation of the ecological path. Feedback from the local communities and visitors to the ecological path. |

8. REPORTING

8.1 Internal Reporting

The HSE Department prepares annual report on operation of the Integrated Management System for the Company's top management. This Report may include, among other things, information on the BMP implementation.

Information on the implemented biodiversity management activities will be updated annually and reflected in the consolidated register (Annex 1). The register of completed biodiversity management activities is a separate document and is not part of the BMP.

8.2 External Reporting

Reporting to the Lenders and their Representatives

The Company (HSE Department) submits annual reports to the Lenders and their representatives to inform the Project environmental and social status assessment conducted by the Lenders' Independent Environmental and Social Consultant. The reports include information on the implementation of BMP during past 12 months.

Reporting to Stakeholders

In compliance with the international requirements reflected in the Company's SEP, Cryogas-Vysotsk Ltd. will also disclose the Project biodiversity management performance to stakeholders. Such reports can be published at the website of PJSC NOVATEK as an annual presentation of the Project performance or in other suitable format.

ANNEX 1. REGISTER OF COMPLETED BIODIVERSITY MANAGEMENT ACTIVITIES

REGISTER OF COMPLETED BIODIVERSITY MANAGEMENT ACTIVITIES

| No. | Activity | Description | Implementation timeframe | Responsibility | Achieved results | Comments |
|--------------------------|-----------------|--------------------|-------------------------------------|-----------------------|-------------------------|-----------------|
| Completed in 20__ | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |