

Initial Project Summary – Ukraine Gas Storage

Project Location: Uherske, Oparske, Dashavske, and Bohorodchanske in Ukraine

Name of Applicant: Goldman Sachs International

Project Description: The Project involves the storage of up to five (5) billion cubic meters of natural gas by Naftogaz in existing tank facilities physically located in Bilche-Volytsko-Uherske, Uherske (XIV-XV), Oparske, Dashavske, and Bohorodchanske (Ukraine) but excluding storage facilities in the conflict region of eastern Ukraine and Crimea. The Project will not involve any capacity expansion or other modification of these existing gas storage complexes.

Environmental and Social Categorization and Rationale: The Project has been screened as Category A because it involves the operations of major gas storage complexes that have the potential to impact local infrastructure and also have the potential for accidental releases of methane. The major environmental and social risks associated with the Project include: the potential for VOCs (including methane) releases beyond the Project battery limits; small quantities of effluent discharges and hazardous and solid wastes disposal; occupational health and safety risks associated with the handling of hazardous materials (including methane); and potential risks to community health, safety, and security.

Environmental and Social Standards: International Finance Corporation's (IFC) Performance Standards (PS, April 2012) 1 (Assessment and Management of Environmental and Social Risks and Impacts), 2 (Occupational Health and Safety), 3 (Resource Efficiency and Pollution Prevention), and 4 (Community Health, Safety, and Security) are applicable. Based on the information currently available, the Project will not acquire land as the Sponsor is using existing gas storage complexes within designated industrial zones and no sensitive biological resources, indigenous peoples and cultural heritage sites have been identified at or near the Project sites. Therefore, PSs 5 (Land Acquisition and Involuntary Resettlement), 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), 7 (Indigenous Peoples), and 8 (Cultural Heritage) are triggered at this time.

IFC's Guidelines applicable to the Project include: General Environmental, Health, and Safety (EHS) (2007), Gas Distribution Systems (2007), and Crude Oil and Petroleum Product Terminals (2007).

Location of Local Access to Project Information: Copies of the Environmental and Social Impact Assessment and Audit may be found at the following location:

Naftogaz of Ukraine
B. Khmelnytskogo str, 6
Kyiv, 01601, Ukraine