**KPO response to Crude Accountability rejoinder regarding poisoning of children in Berezovka village**

Business & Human Rights Resource Centre invited KPO to respond to the following item:

## - *«[Crude Accountability rejoinder to responses by KPO, Eni, Shell & KazMunaiGas](https://www.business-humanrights.org/en/crude-accountability-rejoinder-to-responses-by-kpo-eni-shell-kazmunaigas)», Crude Accountability, 12 September 2018*

https://www.business-humanrights.org/en/kazakhstan-ngo-says-poisoning-of-children-likely-caused-by-toxic-emissions-from-karachaganak-oil-gas-field-operated-by-kpo-consortium-includes-company-comments#c177248

*In response, KPO sent the following statement:*

Dear Ella,

Although we feel that KPO has already expressed its position in our 27 July, 2018 communication, nevertheless, having reviewed the rejoinder issued by Crude Accountability, KPO would like to offer some additional comments. It is not our intention to engage into any dispute with Kate Watters, but rather to refute their most appalling allegations and allow your audience to see the full picture.

1.      KPO environmental monitoring system

The results of KPO's regular environmental monitoring on the territory of the Karachaganak oil and gas condensate field and around its perimeter continue to demonstrate that no harmful concentrations of pollutants arising from KPO's operations have been detected in any of the villages neighbouring the field.  KPO continuously monitors the parameters of emissions through a complex data gathering and monitoring mechanism integrated into a robust emergency response system. The data of above-mentioned monitoring is regularly provided to the residents of neighbouring settlements.

In particular, KPO conducts air monitoring through sampling and analysis by accredited laboratory and, in addition, by means of 18 automatic Environmental Monitoring Stations (EMS) continuously run at the KOGCF and SPZ perimeter. Each station has four (4) analyzers designed for continuous measurement of hydrogen sulphide (H2S), sulphur dioxide (SO2), nitrogen dioxide (NO2) and carbon monoxide (CO) content in the air.  The EMS also activates a warning alarm in case of high concentration of H2S, SO2, NO2 or CO in the air. Two fully equipped mobile environmental monitoring stations are used to conduct air monitoring when required at individual sites.

Along with the continuous air quality monitoring run by the 18 EMS, the accredited Contractor laboratory conducts air sampling at the boundary of the SPZ once a day and at villages located around the Field 4 times per day. Air samples are taken by specially trained community members in those villages where the posts are installed.

In 2013, KPO created and successfully launched an online information portal for transmission of air quality monitoring data from an automatic EMS installed in Berezovka to the West Kazakhstan Regional branch of KazHydromet. This allowed the regional authorities to obtain air quality monitoring data in Berezovka independently almost in real time.  On 22nd of June 2018 KPO signed the sharing agreement with WKO Ecology Head to provide RoK governmental agencies with on-line access to all 18 KPO automatic EMS data to keep RoK governmental agencies aware of ambient air quality in the Karachaganak oil and gas condensate Field thus increasing the transparency of air monitoring data conducted by KPO.

KPO faced multiple investigations by RoK authorities and demonstrated that (i) all emissions from KPO facilities are controlled by a network of Environmental Monitoring Stations that are installed in the field and at the Sanitary Protection Zone boundaries; and (ii) all environmental monitoring stations (including two installed directly within Berezovka village. The location of those two monitoring stations was identified and proposed with the involvement of Berezovka village residents) showed air emissions below the limits of RoK law, in relation to the incident that occurred at the Karachaganak field in November 2014.

All EMS heights correspond to manufacturer’s design.  The statement that they “*immediately began to record excess of hydrogen sulfide norms*” once lowered, is not supported by EMS records.

2.      KPO being fined for so called *“unauthorized emissions*” in 2015

KPO was fined for unplanned flaring at the Karachaganak field in accordance with the 2014 environmental legislation and the RoK SubSoil Use Law. However, the very same flaring event would have not have led to fines in any OECD country , as they are unavoidable, safety related and consistent with the operations facility original design. Furthermore, in 2016 some amendments were introduced into the RoK Environmental and SubSoil Use Laws which clarify that the mentioned type of flaring is a technically unavoidable one. That means that starting from 2016 flaring of gas in oil and gas fields connected with equipment failure and disruption of the production process is not considered as unscheduled. Flaring emissions which occur during disruption of equipment are considered as regulatory. In view of this, the companies carrying out activities in oil and gas fields in such circumstances are not exposed to fines due to lack of excess emissions and damage to environment.

Therefore, in case if this type of flaring mentioned in 2016 did not result in detrimental effect on environment and community health, then it could not have led to decline of the residents’ health in 2014, either.

The allegation that flaring occurring at Karachaganak facilities has an adverse impact on the health of inhabitants of Berezovka and was not investigated by RoK authorities is also false as both RoK authorities and KPO did thoroughly investigate the incident of November 2014. Therefore, any allegations of a link between the flaring event and the intoxication of former Berezovka Villagers are not grounded.

3.      An incident at KPO facilities that could have allegedly affected health of Berezovka residents on 11/28/2014

On 27th November 2014, a power outage at one electrical substation owned by a third party resulted in a temporary shutdown of Unit 2 followed by flaring of sour gas via the flaring system in accordance with safety requirements. Shutdown of Unit 2 also caused unplanned gas flaring at Unit 3 and KPC as all three facilities are interconnected. On the same day, there was also a minor gas leak lasting two minutes through the stacks. The volume of condensate leaked made 0.002 M3 (i.e. 2 litres). However, these air emissions did not result in exceedance of the maximum permissible concentration parameters at the boundaries of the SPZ.

The 2 minute leak at Unit 3 referred to in the rejoinder was a minor leak of liquid condensate inside the plant and it was not associated with any gas release.  The leak was quickly and safely contained.   KPO takes any loss of containment seriously to prevent reoccurrence.

After carefully reviewing the matter, it was concluded that there is no connection between the leak at Unit 3 or other KPO operations and the health of children at the school.  Objective evidence supports our reasoning including that:

(a)        The leak of condensate took place at Unit 3, which is located 14.5 km from the school in Berezovka;

(b)        Between 26-28 November 2014, the wind was blowing from the south to the north, which means that any emissions from the KPO facilities (including Unit 3) would have been blown away from the school; and

(c)        The data collected from the environmental monitoring stations located in and near Berezovka show no exceedances of the relevant standards and no emissions that could be associated with the symptoms that developed.

In the absence of evidence to the contrary, it was therefore concluded that there is no link between KPO’s operations and the symptoms that developed on 28 November 2014.

4.      Medical examination of children

Medical diagnosis and treatment of the citizens is the responsibility of Kazakh state authorities.

The RoK Police Report issued in March, 2018 directly addressed any allegation regarding presence of “petroleum ether” in blood samples, based on reports from certified medical laboratories, and excluded any connection with KPO activities.

It is worth noticing that several different RoK authorities investigated the cases of intoxication at the former Berezovka Village, also with the support of the medical experts of the Russian Federation, and excluded any involvement of the KPO consortium into the intoxications of children and adults in the former Berezovka village.

5.      The resettlement of Berezovka being related to November 28 school incident.

The sanitary protection zone (SPZ) is a buffer area that separate field facilities from the nearby residential areas in order to mitigate any unfavourable impact related to Karachaganak petroleum operations. SPZ is regulated by RoK law. The former villages of Berezovka and Bestau (ca 2,000 people in total) were located in a radius of approx. 5 km from the Karachaganak field. In 2015, an extension of the SPZ was required to accommodate new facilities as part of the preparation for future developments in the Karachaganak field.  As a consequence, the SPZ was extended and the RoK authorities decided to relocate the villages of Berezovka and Bestau. The RoK authorities were responsible for the resettlement project in accordance with RoK legislation, whilst the KPO joint venture provided technical expertise, financial and logistics support applying international standards (i.e. “IFC PS 5”).

Following the incident, RoK and KPO actively participated in the incident investigation and worked in close cooperation, by assessing all relevant data including information from operations facilities and environmental monitoring stations to the investigating authorities

In 2018, RoK Police excluded any connection between the incident occurred at Karachaganak in November 2014 and symptoms of intoxications suffered by Berezovka residents. Besides, given the  4 years time passed since the incident in Berezovka Village, it is impossible to link the current health conditions of the affected former residents of Berezovka with 2014. Having said that we have to repeat our position that the issue of medical treatment and diagnosis is the responsibility of competent health authorities.

Regards,

Sergey Pushkarev

KPO Corporate Communications Manager