

Supervisory Board
SEFE GmbH,
Markgrafenstraße 62,
D-10969,
Berlin,
Germany

B4Ukraine 

03 April, 2025

Re: Joint Letter from B4Ukraine, Razom We Stand, Urgewald, Deutsche Umwelthilfe regarding SEFE's ongoing operations with Russia

Prefatory Note:

Since the drafting of the letter below, further information has come to light that provides greater accuracy regarding terminal access and cargo purchases. It is now understood that TotalEnergies also holds terminal access at Dunkerque, and may therefore be involved in relevant transactions. Accordingly, SEFE may not be the sole buyer of Yamal to Dunkerque cargoes; both SEFE and TotalEnergies are potential buyers. This clarification does not change the essence of the inquiry made in the letter but is provided here in the interest of transparency.

Dear Reinhard Gorenflos,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organizations committed to curbing the financial support that fuels Russia's brutal invasion of Ukraine. This letter is jointly signed with [Razom We Stand](#), [Urgewald](#), and [Deutsche Umwelthilfe](#).

Recent reports and corresponding legal analyses suggest potential sanctions compliance risks and contradictions in SEFE's operations. We are therefore writing to pose several urgent questions regarding SEFE's involvement in the ongoing trade of Russian LNG, specifically in relation to long-term contracts, shipment volumes, transportation logistics, and internal oversight mechanisms.

SEFE's use of Free-On-Board (FOB) contracts does not exclude responsibility for how cargoes are transported and who benefits from the logistics chain. In a recent investigation by [Unearthed](#), Shell was found to have purchased 350,000 tonnes of Russian LNG that was transported through Arctic waters using nuclear-powered icebreakers operated by [Atomflot](#), a Rosatom subsidiary sanctioned by the UK, EU, and US. Legal experts argue that such transactions [may breach sanctions](#) under clauses like the UK's [Regulation 13](#), which prohibits transactions where there is "reasonable cause to suspect" financial benefit to a sanctioned entity. Considering that publicly available data shows that Atomflot's escort operation cost approximately £300,000, there is clear reason to suspect that Atomflot as a sanctioned entity has benefited financially from escorting LNG cargo. Therefore, the potential [financial exposure](#) to sanctioned entities is significant.

SEFE's significant uptick in Russian LNG shipments, reportedly [58 cargoes](#) in 2024 in comparison to just 12 deliveries in the previous year, raises concerns that the company may be relying on similar logistical arrangements, potentially exposing it to corresponding sanction risks. The sharp increase in SEFE's Russian LNG imports is concerning in itself, indicating a growing rather than decreasing dependence on Russian energy. Moreover, according to ACER, SEFE purchased 5,66 bcm of Russian LNG, which is significantly more than the 3,9 bcm required under [contractual obligations](#).

Furthermore, recent reports reveal that the Russian security service ([FSB](#)) has assumed operational control over the Arc7-class tankers used in Yamal LNG exports. The reports show that these vessels have had their foreign crews replaced with Russian personnel with potential FSB affiliations. This development represents a significant risk that some vessels delivering gas to the EU may be under the effective command of Russian intelligence services. We are not alleging that SEFE knowingly engages in such activities and vessels. However, the broad array of risks is evident and shows the importance of due diligence mechanisms regarding the companies and vessels responsible for transporting SEFE's LNG cargoes.

Despite commitments by European governments to phase out Russian gas, imports of Russian LNG to the EU rose by [19%](#) in 2024. This shift increased Russia's market share. Spot trades now account for 31% of Russian LNG imports, suggesting that short-term profit is increasingly taking precedence over the will to cut ties with Russian energy and to defund Russia's aggressive war against Ukraine.

The Dunkirk terminal tripled its intake of Russian LNG last year. SEFE was responsible for all 58 shipments from Yamal LNG into the Dunkirk port, a [650 percent](#) increase over 2023. This is a severe escalation that calls into question Germany's and SEFE's stated [intentions](#) to decouple from Russian fossil fuels. Increasing the issue, Eurostat data shows Russian LNG sold into the EU market at a [274%](#) price premium in Q4 2024 compared to Q1 2021. This places SEFE in a position where its operations are potentially sustaining and contributing to the growth of Russian gas revenues, and by extension, the country's war machine.

The escalation of Russian LNG imports into the EU, facilitated by state-controlled or state-linked entities like SEFE, undermines the policy goals set by the EU, G7, and the broader international community. It is also contradictory to Europe's [commitment](#) to end its dependence on Russian fossil fuels.

We are therefore writing to ask the Supervisory Board the following questions:

1. Can SEFE clarify how much Russian gas it imported into the EU in 2023 and 2024?
2. What percentage of SEFE's overall LNG supply in this period came from Russian sources?
3. Does SEFE track and publicly report the origin and route of LNG cargoes once they enter the EU market? If not, why not?
4. Is SEFE planning to terminate or suspend its long-term contract with Yamal LNG in light of the ongoing war and sanctions? Further, could SEFE explain why the company is importing more than contractually obliged?

5. What steps has SEFE taken since 2022 to phase out its contractual and commercial entanglements with Russian entities, particularly OAO Yamal LNG or Novatek?
6. Which shipping companies are currently contracted to transport SEFE's LNG cargoes, especially those from Yamal LNG?
7. How many of SEFE's cargoes have been escorted by Atomflot-operated icebreakers?
8. Has SEFE undertaken due diligence to determine whether payments to third parties may indirectly benefit sanctioned Russian entities, such as Atomflot?
9. How does SEFE ensure that it is not in breach of sanctions, including clauses concerning indirect support to designated entities?
10. Has SEFE conducted heightened human rights due diligence to ascertain the risk that its operations might have on human rights violations in Ukraine indirectly linked to the company's operations with Russia?

It has been three years since Russia invaded Ukraine, committing the crime of aggression and breaching the UN Charter. Russia is violating international humanitarian and human rights law, committing over 150,000 documented war crimes.

We urge the Supervisory Board to exercise its influence and responsibility in ensuring that SEFE's operations align with European security interests, responsible business conduct, the principles of international human rights and the regulatory frameworks in place to restrict Russia's access to critical revenue.

We would welcome the opportunity to discuss these issues further and respectfully invite you to a meeting to address the concerns raised in this letter. Any such meeting would be confidential. We kindly ask that you respond by 17 April 2025. Please note that we plan to publish this letter and possible responses by the end of the month on the B4Ukraine website.

Sincerely,

B4Ukraine Coalition

Urgewald

Razom We Stand

Deutsche Umwelthilfe

B4Ukraine 



RAZOM WE 
STAND



Deutsche Umwelthilfe

December 28, 2023

Dear SEFE Leadership Team,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We are writing to enquire on the current status of your business operations and partnerships in Russia concerning LNG, especially in light of the notable surge in European imports of Russian LNG during the first half of 2023, marking the strongest figures on record.¹

It has been 20 months since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, forcible transfer of civilians). More than 27,500 Ukrainian civilians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times. In recognition of the severity of abuses, in March 2023 the International Criminal Court issued an arrest warrant for Vladimir Putin to answer war crimes charges.²

Moreover, recent developments in Russia point to an expanding universe of financial, legal, and reputational risks facing those still conducting business operations with Russia.

In response to this unprovoked and unjustified war of aggression,³ many companies have exited Russia and ceased any operations in the Russian market.

As you will know, in early September 2023, the US Department of State expanded the sanctions regime by officially designating 37 entities engaged in developing Russia's energy production and

¹ Andrea Thomas, "INVESTIGATION. Still spared by sanctions, this Russian gas still exported thanks to France," West France, November 20, 2023, <https://www.ouest-france.fr/europe/russie/vladimir-poutine/ce-gaz-russe-exporte-grace-a-la-france-5c073e20-824e-11ee-a407-397218b61e71#:~:text=ENQU%C3%80TE,-Encore%20%C3%A9pargn%C3%A9%20par%20les%20sanctions%2C%20ce%20gaz%20russe%20toujours%20export%C3%A9,%2DNazaire%2C%20d%C3%A9noncent%20des%20ONG> (accessed December 12, 2023).

² International Criminal Court, "Situation in Ukraine: ICC judges issue arrest warrants against Vladimir Vladimirovich Putin and Maria Alekseyevna Lvova-Belova," March 17, 2023, <https://www.icc-cpi.int/news/situation-ukraine-icc-judges-issue-arrest-warrants-against-vladimir-vladimirovich-putin-and> (accessed March 22, 2023).

³ The UN General Assembly condemned Russia's "aggression against Ukraine" and demanded that Moscow "unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders".

potential export capabilities, including two associated vessels. These designations include entities and individuals involved in critical energy projects and related infrastructure development, including Russia's Arctic LNG 2 liquefied natural gas export initiative. Furthermore, the list includes entities engaged in procuring materials and technology for future energy projects, areas where Russia has historically depended on expertise and technology from foreign companies.

Consequently, in accordance with [E.O. 14024](#), all property and interests in property of the designated persons that are in the United States or in possession or control of U.S. persons are blocked and must be reported to the Department of Treasury's Office of Foreign Assets Control (OFAC). Furthermore, any individuals or entities holding direct or indirect ownership of 50 percent or more by blocked individuals or entities are also subject to being blocked. All transactions involving property or property interests of designated or otherwise blocked persons within the United States, by U.S. persons, or transiting through the U.S. are strictly prohibited, unless specifically authorised by OFAC through a general or specific licence, or if exempt.

These prohibitions encompass any contribution, provision of funds, goods, or services to, from, or for the benefit of any blocked person, as well as the acceptance of such contributions or provisions from these individuals or entities.⁴

Additionally, OFAC issued [Russia-related General License 55A, "Authorizing Certain Services Related to Sakhalin-2"](#) and [Russia-related General License 72, "Authorizing the Wind Down of Transactions Involving Certain Entities Blocked on September 14, 2023"](#), adding to the Specially Designated Nationals and OFAC's Sectoral Sanctions Identifications list two vessels:

KORYAK FSU (3E2333) Floating Storage Tanker Panama flag; Vessel Registration Identification IMO 9915105 (vessel) [RUSSIA-EO14024] (Linked To: ARCTIC TRANSHIPMENT LIMITED LIABILITY COMPANY).

SAAM FSU (3E2557) Floating Storage Tanker Panama flag; Vessel Registration Identification IMO 9915090 (vessel) [RUSSIA-EO14024] (Linked To: ARCTIC TRANSHIPMENT LIMITED LIABILITY COMPANY).⁵

The designation of these two vessels means that any traders collecting LNG from these points will be in violation of US sanctions.

On November 2, 2023, the US Department of State also designated as a target for sanctions ARCTIC LNG 2 LLC, the operator of the Arctic LNG 2 Project, pursuant to section 1(a)(i) of the Executive Order 14024.⁶

⁴ US Department of State, "Imposing Further Sanctions in Response to Russia's Illegal War Against Ukraine," September 14, 2023, <https://www.state.gov/imposing-further-sanctions-in-response-to-russias-illegal-war-against-ukraine/> (accessed November 10, 2023); Executive Order 14024, "Blocking Property With Respect To Specified Harmful Foreign Activities of the Government of the Russian Federation," April 15, 2021, <https://www.federalregister.gov/documents/2021/04/19/2021-08098/blocking-property-with-respect-to-specified-harmful-foreign-activities-of-the-government-of-the> (Accessed November 10, 2023).

⁵ Office of Foreign Asset Control, "Russia-related Designations, Designations Updates, and Designations Removals; Issuance of Russia-related General Licenses," September 14, 2023, https://ofac.treasury.gov/recent-actions/20230914?fbclid=IwAR2SAkYLJZgxXlbPzc2r3SZkk3uL34rMtlqwjkQKd_cBfYA7MylzBhZOmFU (accessed November 11, 2023).

⁶ U.S. Department of State, Fact Sheet "Taking Additional Sweeping Measures Against Russia", November 2, 2023 <https://www.state.gov/taking-additional-sweeping-measures-against-russia/>

We are writing now to enquire whether this company will adhere to the US sanctions that prohibit the usage of two critical floating storage units of Russian LNG supply chains, identified below as KORYAK FSU and SAAM FSU, and any transactions involving ARCTIC LNG 2 LLC.

Furthermore, we would like to pose the following questions regarding business operations related to Russian LNG more broadly:

- **Can you clarify the quantity of LNG the company is currently purchasing/acquiring from Russia?**
- **Does the company have any long-term contracts with any of the aforementioned entities in Russia, and if so, is it going to adhere to them?**
- **Can the company clarify whether it intends to fully terminate trade with Russian entities? If so, what is the predicted timeline for the exit?**

In consideration of the above points, we request an urgent dialogue with the company's relevant senior management and staff to discuss ongoing activities and relationships in Russia, associated risks to the people of Ukraine, and potential steps to prevent/mitigate these risks. Please contact the B4Ukraine Coalition at contact@b4ukraine.org to schedule a call. We kindly ask for your response by 5:00pm CET, 22 January 2024.

Please note that this letter and any response provided, or lack thereof, will be published on the B4Ukraine webpages. In case you would like to join the proposed call, any such meeting will be held under Chatham House Rules.

Sincerely,

The B4Ukraine Coalition