Highest class A1
in the 2021 Russian Business
Anti-Corruption Rating

VESTI

Sakhalin Energy

FEBRUARY 2022

Read in the issue

1.17
is the company's BPF in 2021

CURRENT EVENTS

15 December
The fouth Sakhalin Indigenous Minorities Development Plan was signed

17 December
With the support of Sakhalin Energy, the two-volume book "Anton Chekhov's Sakhalin Island. Facsimile Reproduction and Digitally Restored Manuscript" was presented to the State Historical Library

22 December
At Sakhalin Energy a round table was held for Graduate Development programme participants of the Technical Directorate who exchanged best practices

24 December
Sakhalin Energy Social Investment Programme under Covid-19 conditions ranked the best in the contest run by Gazprom

27 December
The Administration of Yuzhno-Sakhalinsk together with Sakhalin Energy discussed the involvement of business in procurement of major customers

19 January
Sakhalin Energy won the Governor's annual Sakhalin Lighthouse-2021 Award in the Russian Federation Climate category

results of the year

Right Course, Strong Performance

In December, the meetings of the Sakhalin Energy Board of Directors and Sakhalin-2 Supervisory Board were held in Moscow.

The meeting of the Supervisory Board was led by Elena Burmistrova, Deputy Chairperson of the Gazprom Board. Its participants included the Director of the Department of Oil and Gas Complex of the RF Ministry of Energy Anton Rubtsov, Head of the Sakhalin Oblast Government Alexey Belik, Sakhalin Energy Chief Executive Officer Roman Dashkov, representatives of federal ministries, government agencies and shareholders.

The members of the Board of Directors and the Supervisory Board got acquainted with Sakhalin Energy's results for 2021. The representatives of the governing bodies highly estimated the accomplishments in occupational and operational safety, anti-epidemic measures, and the company's production and financial performance. It is worth noting that the revenues of the Russian Party have significantly exceeded the plan targets.

Despite the anti-COVID-19 restrictions, in 2021, the company maintained stable production and exported 160.09 LNG cargoes, which is ten cargoes more than the plan indicators, as well as 46.95 cargoes of oil. Another proof of the efficiency of the company's production strategy for 2021 was the BPF of 1.17 approved by the Board of Directors.

The participants of the meetings noted the improvements in increasing Russian content and hiring Russian workers. A well-thought-out strategy for generating and developing a talent pool allowed Sakhalin Energy to strengthen its performance in many key areas, while ensuring the company's resilience in the new conditions. According to the participants of the meetings, the results of the company's largest ever scheduled shutdown and the Peak corporate championship are proof of Sakhalin Energy's excellent teamwork and the employees' commitment to continually improving their competencies.

Special attention was paid to future plans for the development of the Piltun-Astokhskoye and Lunskoye fields, as well as the Sakhalin-2 project at large. Moreover, the representatives of the governing bodies discussed topical issues concerning the company's commercial activities, including its marketing and oil and LNG transportation.

Among the significant achievements of the year, the shareholders highlighted the prize from the international World Petroleum Council Excellence Awards acknowledging the company's practices in cooperating with Sakhalin indigenous minorities as an outstanding project in the oil and gas industry. The high praise of the international experts demonstrated that Sakhalin Energy had adopted the right strategy for handling important social issues and that the company makes a great contribution to achieving global goals.

In the end, the participants commended excellent organisation and hosting of the annual meetings, which are important for developing constructive cooperation and open dialogue.

■ Olga Moreva

event

Wrapping Up the Russian Business Week with the RUIE Congress Attended by Vladimir Putin

Russian President Vladimir Putin spoke at the plenary session of the milestone congress of the Russian Union of Industrialists and Entrepreneurs, which focused on the business climate and getting business into national projects and programmes for social and economic development of regions. The congress organised to celebrate the 30th anniversary of the RUIE wrapped up the Russian Business Week 2021.

Vladimir Putin pointed out that the Russian Union of Industrialists and Entrepreneurs proved to be a reliable partner of all branches of government and civil society institutions.

"I am grateful to you for your engagement and significant contribution to the national agenda, for expanding the talent pool, investment potential, industrial capacities, and export opportunities of Russia," the President said.

According to him, by the middle of 2021, the Russian economy had recovered from the pandemic's effect and moved up to the pre-crisis level. The Russian leader believes that the entire business community – large, medium and small enterprises in Russia – should be credited with such rapid economic progress. "I'm sure that such commitment of business enabled large-scale measures the state has taken to support the economy, employment, and backbone industries."

Vladimir Putin underlined that the last year financial performance of companies showed significant growth compared to both 2020 and 2019. In his opinion, this stable cash flow should not be scattered, but used to expand capital investment in the Russian economy to maintain competitiveness. "This is a powerful resource for expanding production and capital investment, something that drives the country's economy forward," the President added.

The Russian leader pointed out that the Russian economy is in for a major transformation. It's about integrated digitalisation, environmental agenda, new industries and the integrated development of infrastructure. These areas will need the contribution of the business community.

"We have already done a lot to improve legislation with your active efforts. Of course, we will proceed together with you, we will use and tweak the best global and national practices to support investment activity and private initiative," said Vladimir Putin.

Moreover, the Russian leader pointed out that the global business agenda has focused on sustainable development in recent years. Alongside the expansion or modernisation of production facilities, business owners and shareholders currently focus on environmental well-being of cities and regions, infrastructure development, and improvement of areas. In view of this, the President urged company leaders to put more emphasis on social responsibility.

Alexander Shokhin, the Head of the Russian Union of Industrialists and Entrepreneurs, took the floor after Vladimir Putin and thanked the President for his in-person participation and spoke about the RUIE priorities.

He pointed out that the business climate has improved its quality and legislation has become more effective since the establishment of the RUIE. "Russian business has changed a lot over 30 years. It maintains its high investment activity even amid the crisis, successfully implements new technologies, improves performance and is on the way to digitisation," added the RUIE President.

Alexander Shokhin emphasised that business confirmed the high level of social responsibility during the pandemic as they bought medicine and safety products, helped medical organisations, supported vulnerable social groups and encouraged vaccination of their employees. Summarising the preliminary results, Alexander Shokhin pointed out that the RUIE has worked hard and successfully focusing on sustainable development.

At the end of his speech, Vladimir Putin congratulated the Russian Union of Industrialists and Entrepreneurs on its 30th anniversary and presented its staff with the state award "For Success in Labour". Alexander Shokhin, President of the Russian Union of Industrialists and Entrepreneurs received the Russian Federation's Medal of Honour from the hands of the Head of State. Source: kremlin.ru

Moreover, the Head of the RUIE elaborated on the Union's achievements in professional education, including independent assessment of personnel qualifications, outlined successful results in promoting the environmental agenda and reducing the administrative workload of enterprises.

Starting the discussion on the RUIE priorities in 2022–2025, Alexander Shokhin proposed to discuss the improvement of the business environment predictability, both at the system level and through rifle approach, the promotion of private investment, climate regulation, improving the industry competitiveness, and the development of non-resource exports.

■ Prepared by Marina Semitko based on public materials

greeting

DEAR GENTLEMEN,

Please accept our sincere congratulations on the Defender of the Fatherland Day! Happy day of military glory, bravery, and valour!

There are different ways to protect and support your country, not only with weapons. The primary responsibility and point of honour for any man is to be a pillar of his family and friends, overcome any obstacles, and achieve all objectives.

Daily hard work and dedication, commitment to your work in the oil and gas sector are a great contribution of each of you to our common prosperity and happiness. It's not easy to live up to such high standards and calling, but you, our dear men, are doing a great job. We are proud of your knowledge and skills, empathy and willingness to rise to challenges.

On this day that celebrates brave hearts, we would like to express our love and gratitude and wish you to stay healthy, strong and confident in your powers. We hope this occasion will inspire you to achieve new heights and victories! Have a great holiday!

■ Sakhalin Energy female employees

green LNG

Liquefied Natural Gas Has Been Called a Symbol of the Energy Transition

Roman Dashkov, CEO of Sakhalin Energy, tells RBC+ how the state and business in Russia have become involved in the global decarbonisation process.

– How urgent is decarbonisation for Russia, one of the world's main suppliers of fossil fuels? How do you rate its involvement in the global green agenda?

– The energy transition as a vector of climate-oriented development is becoming a dominant trend for most of the world's leading countries. Russia has also taken on international obligations in the realm of decarbonisation. The topic's relevance is largely determined by the actions of the global community that is developing regulatory mechanisms meant to equalise local products made with minimal carbon dioxide emissions with less environmentally friendly imported products.

Therefore, the Russian Government is now stepping up its work towards decarbonisation, which includes developing and trying out solutions as part of the Sakhalin climate experiment launched in 2021. Sakhalin Energy is one of the key partners of the state in implementing the experiment.

– How effective do you find the international cap-and-trade system for carbon emissions? Why is Russia developing a methodology of its own? How are businesses involved in this process?

– It is important for the state that, on the one hand, the Russian quota system complies with international requirements and, on the other hand, is transparent and unbiased, motivating businesses to become more actively involved in the process of energy transformation.

This is being accomplished through an ongoing active dialogue with the business community. Sakhalin Energy expects that, on a national scale, such a methodology will be developed as part of the Sakhalin climate experiment. It is also important for us to verify the quota accounting, monitoring, and distribution systems so that businesses could use them in the context of their work programmes, the stages of field development, and the implementation of climate projects with a deferred effect within the timeframe of the experiment.

I basically think that, for the duration of the experiment, there should be a transitional period established for companies, during which some sort of point scoring system and public ranking of companies, rather than charges for failure to meet the greenhouse gas emission quotas, would be used. Depending on the achieved score, an effective business might, for example, be subsequently invited to participate, on preferential terms, in the development of new projects or fields, or borrow funds for new projects at a reduced interest rate.

– What green technologies is Sakhalin Energy planning to deploy?

– For a long time, we have been among the oil and gas industry leaders in energy efficiency and environmental sustainability. This is supported by years of results of the RUIE environmental responsibility rating, the WWF environmental openness rating, and the ESG ranking by RAEX. Since the very start of its operations, Sakhalin Energy has relied on hi-tech solutions that, among other things, help cut CO_2 emissions from hydrocarbon production.

We already work with natural gas, one of the greenest mineral resources, processing it into LNG, which many experts call a symbol of the energy transition. This type of fuel underpins the efficient energy balance required to ensure reliable and uninterrupted supplies, regardless of weather conditions and fluctuations in the global energy demand.

In 2021, in an effort to explore carbon market opportunities, the company supplied the first pilot cargo of carbon-neutral LNG from the Sakhalin-2 project to Japan. It was important for us to understand how open to new opportunities and ready to create new challenges for producers the market was as well as to demonstrate that the company was already capable of responding to the challenges today and delivering the new product to the buyers. Now that we are confident that our buyers are interested, we are about to take the next step and generate, in line with our commercial strategy, a competitive standard offer to supply carbon-neutral LNG that is in demand in the Asia-Pacific region for years to come. This will secure us leading positions in the new area of the energy market.

For the long term, the company is considering the use of state-of-the-art technologies to increase CO_2 absorption, for example, in carbon landfills. At the same time, we do not disregard the benefits of adopting solutions for creating an energy "cocktail" with the use of alternative technology and renewable energy sources that help reduce greenhouse gas emissions on a global scale.

It is important for optimisation and upgrade projects that aim to enhance energy efficiency to be also regarded as climate-friendly and to obtain certain preferential conditions. Upgrading any functioning enterprise is very expensive, so not all companies are ready for such complex and capital-intensive processes. At that point, a business will require support from the state, and there must be financial incentives available to such enterprises.

– The company recently entered into an agreement with the Russian Academy of Sciences. How can fundamental science support the government and businesses in implementing climate-friendly projects?

– A solid, well-proven basis of research is the cornerstone of the energy transition. Understanding this, Sakhalin Energy is fostering cooperation with the leading scientific community.

As a case in point, the company has been undertaking the carbon landfills project I mentioned earlier in collaboration with the Sakhalin State University, the region's major higher-education institution.

The agreement with RAS envisages collaboration between the parties in addressing the carbon footprint decrease issue. It also involves putting together proposals relating to the sustainable use of natural resources in subarctic conditions, the implementation of environmental, social, agro-industrial and other programmes, projects, and initiatives, including those being pursued with the participation of the Sakhalin Oblast Government.

The resulting data will underpin the methodology for the generation and subsequent commercialisation of carbon units. Surely, we will first need to have the deliverables verified by independent international expert bodies. However, if backed up by precise calculations and scientific rational, the work will be very likely to be recognised.

I am confident that the partnership between business and academia will give an enormous boost to the climate projects being carried out in Russia and will enable our country to respond promptly and adequately to any challenges in the context of the green agenda.

■ Source: plus.rbc.ru

shareholders' news

Alexey Miller: 2021 – a Record-Breaking Year for Gazprom

While commenting on the operational data for 2021, the Chairman of the Gazprom Board Alexey Miller reported that the previous year had become record-breaking for the company.

In 2021, Gazprom produced 514.8 bln cubic metres of gas – the best result in 13 years. According to preliminary data, the company's supply to the domestic market reached 257.8 bln cubic meters, which is the biggest volume since 2013. "We exceeded the plans under our main social project – the gasification development in Russian regions," added the Head of Gazprom.

According to Alexey Miller, the result of 2021 ranks fourth among the company's all-time records. He noted that 15 countries had ramped up their imports of the Russian pipeline gas – with top three being Germany (+10.5%), Turkey (+63%), and Italy (+20.3%).

Gas export to China via the Power of Siberia gas pipeline is growing as well. Over the course of 2021, the company's gas supplies to China regularly outstripped the contractual obligations.

The Head of Gazprom also stressed the important role of the Nord Stream and TurkStream pipelines in ensuring reliable Russian gas supplies to Europe. He reported that Nord Stream-2, a pipeline with a design capacity of 55 bln cubic metres of gas per year, "had been fully ready for operation" on 29 December 2021.

Alexey Miller added that they expected the financial results for 2021 to be the highest in Gazprom's history, and, subsequently, the dividends were also expected to break absolute records both for Gazprom and Russia's public companies at large.

■ Information source: gazprom.ru

visit

Gold Standard of Safety

The Prigorodnoye production complex was visited by a Gazprom Transgaz Krasnodar delegation, headed by the Chief Engineer – First Deputy General Director Sergey Shablya. During the visit, the guests learned about the Sakhalin-2 operator's insights in production safety.

"It is to be expected, considering that Sakhalin Energy has been consistently showing top results in various aspects of production safety among oil and gas enterprises of Russia. The company has aggregated and implemented the best global practices in this area. Other Russian companies that wish to grow and develop are highly interested in our experience and expertise, and we, in our turn, don't hide anything and are happy to share," commented Victor Spitsyn, Head of Industrial and Fire Safety, Blowout and Emergency Response Department.

The representatives of Gazprom Transgaz Krasnodar spent four days studying Sakhalin Energy's methods of ensuring process safety and managing risks at the company's production facilities. Among other things, at the Prigorodnoye production complex, they had a chance to see the implementation of the electronic work permit system that the company had been using for more than 15 years. The guests also familiarised themselves with the Incident Management System, which includes registration, investigation, root cause analysis and lessons learnt, as well as its relevant tools. Additionally, the delegation showed interest in the concept and development of the production safety culture at Sakhalin Energy, including methods of employee motivation and staff engagement in eliminating hazards.

"Many Russian fuel and energy companies are just now beginning to introduce international standards of production and occupational safety. They are naturally interested in learning how these things work in Russian practice, which is why our experience is so sought after. Today, the Sakhalin Energy's model is the gold standard, and we will continue to operate at the highest level to maintain this quality," added Victor Spitsyn.

At the end of the visit, the representatives of Gazprom Transgaz Krasnodar praised the work of Sakhalin Energy and expressed confidence in further cooperation aimed at exchanging experience of working in the new conditions.

■ Pavel Ryabchikov

spotlight interview

“I Take a Leadership Approach in My Department”

Many compare their first day in a new position with their first day at school. However, this does not the case with Denis Smirnov, Onshore Asset Manager, who managed to obtain quite a few advanced degrees from Sakhalin Energy over his 15 years with the company.

– Denis, employees always try to guess what their new manager would be like: a reformer or the one who maintains stability. What are the objectives you set for your department that you are now at the helm of?

– The golden rule of business is not to introduce any dramatic changes over the first 90 days so that leadership change would not greatly affect the team’s morale. I should also command my predecessor, Denis Lutsev, who did an excellent job leading this department. I now manage assets which demonstrate true operational excellence, having received what I would call a fully equipped Formula One car that drives very fast and very safe. What I need to do is to ensure that this “car” keeps moving in the same direction but even safer, faster, and more efficiently.

– But your will alone is not enough to keep it up, you also need to be quite experienced. And that, as far as I know, is something that you have plenty of…

– I joined the company in 2007 to take a very exciting and critical position, Head of Integrated Activity Planning. I witnessed the Sakhalin-2 project Construction Phase, saw how offshore assets were installed, how year-round oil production at Molikpaq and our integrated gas chain were launched. This was critical for the whole production chain to commence operations. Then I became Head of Process Safety Team, gained experience at OPF as Lead Engineer for new business processes and production optimisation, and later became a workshop supervisor.

In 2017, I joined my first offshore project having received a proposal to become the OIM at PA-B, Sakhalin Energy’s northernmost asset. My next carrier move came pretty soon. In about 18 months, I was taking advantage of my onshore and PA-B experience to Molikpaq, our most mature asset. It was exactly the year that the COVID-19 pandemic burst out. Non-conventional tasks I had to complete both onshore and offshore improved made me a better engineer and leader. I was presented with an opportunity to work with teams of True Professionals. I came back onshore at the end of the previous year to become Onshore Asset Manager.

As part of War for Talent Survey by McKinsey, 200 top managers were asked to name five most important milestones that shaped them as leaders. Most frequently, entering a new position would be named as the top one. This is hard to disagree with, your career being a very good example.

– Each leader in his new position is surrounded by many other leaders that include direct reports, superiors and other colleagues. So, a leader’s essential skill is the art of pulling the right levers. In any case, a new leader is just a regular person who needs all his employees’ energy to achieve success. His or her mindset, competence, and commitment lie at the core of what constitutes effective leadership.

When working with my department, I act not as a manager but as a leader, and I do my best to ensure that my team works as effectively as possible and gets my full support. My key goal as a leader is to help, direct and, of course, develop my team members. As Continuous Improvement philosophy goes, change is essential, as no change leads to stagnation and decay. And this applies to everything from safety to key business processes.

– Is there a big difference with regard to process optimisation opportunities at onshore and offshore assets? Do you need different competences in each case?

– Essentially, no and no. If we are talking about technical knowledge, I can tell you that we need professionals, no matter where we work. There is indeed some difference between the assets, namely, the working environment. Onshore, you can always plan your work, while offshore, there are many more external factors and impacts. Personnel and equipment transportation when performed offshore depend on weather conditions and often require instant, or real time action. When managing offshore assets, you also need to take drilling into account. Regarding our team, I can definitely tell you that highly skilled professionals work across all Sakhalin Energy assets. This is the best team I have ever worked with.

– We only summit the peaks we build ourselves… Denis, can you share your plans for 2022 with us?

– My top priority for this year is safe and timely commissioning of the OPFC project. It is an integrated and complicated task. And with a team like ours, it will surely be completed.

In early spring, we will also commence our winterisation campaign. Why is this important? In winter, we have peak LNG production as the ambient temperatures are low. If an unplanned shutdown takes place during this period, it would be difficult to restart, and LNG production would be affected.

Moreover, we continue introducing the four-year turnaround cycle. This year, we had the largest 2021 turnaround that was the largest in the history of the Sakhalin-2 project which ensured stable and safe operation for 2022. It will be followed by a short pit stop. In parallel, we are actively preparing to the 2023 turnaround. We will have much to do, many audits to perform to lay a strong foundation for reliable hydrocarbon production going forward.

– What would you say in conclusion?

– I would like to sincerely thank all my colleagues who are committed to our common cause. Many challenges lie ahead. To meet them, we will need a lot of our strength, commitment and collaboration. I wish everyone to stay safe, enjoy stability and, of course, sound health.

■ Interview by Marina Semitko

year of fire safety

The Committee Comes to Aid

In late 2021, Sakhalin Energy Chief Executive Officer Roman Dashkov ordered the establishment of an Emergency Prevention and Response and Fire Safety Committee. Igor Abramov, Head of Fire Safety, Well Blowout Safety and Emergency Response Division, was appointed its Chairman.

The new body is intended to manage the corporate systems of civil defence, emergency prevention and response, and to ensure fire safety across the company. The importance of the latter area in the company’s activities is evidenced by the fact that the Chief Executive Officer has declared 2022 the Year of Fire Safety in Sakhalin Energy.

“One of the key risks in the activities of oil and gas enterprises is associated with the danger of fires, which often lead to human casualties and large material losses. In addition, last year new fire safety requirements came into force in Russia. Given the changes in the applicable legislation and best international standards applied in the project, it was necessary to update the corporate fire safety system. This is one of the key tasks set before the Committee,” said Igor Abramov.

The company already has a strong foundation to do that. All hazardous production facilities have been thoroughly inspected for compliance with the technical regulations on fire safety. In addition, the security and fire alarms in the residential buildings of the Zima Highlands residential complex have been replaced with the latest-generation equipment. What is most important, over the years of the Sakhalin-2 project implementation, the team has developed a stable safety reflection, which erases the boundaries between work and everyday life in terms of safety. Having such a background, one cannot but confidently tackle tasks, no matter how difficult they might seem.

■ Pavel Ryabchikov

With Flying Colours!

Strongest Sakhalin cyclone in recent years, which hit the southern and central parts of the island on 12 January, did not disrupt production at Sakhalin Energy. All company's facilities were operating in a regular mode and continued producing and supplying oil and liquefied natural gas to customers.

One of the key tasks for the Sakhalin-2 project operator during this period was to load LNG onto the Grand Mereya tanker, which was located in Aniva Bay. "Disruption of loading would lead to the risk of overfilling the LNG storage tanks and in the worst-case scenario, to a complete shutdown of LNG production until weather conditions improve," said Alexander Singurov, Deputy Production Director, Head of the Prigorodnoye production complex.

For an accurate identifying the conditions for a safe mooring of the gas carrier, a weather forecast was issued with a six-hour interval. Modern methods allowing to consider the impact of global atmospheric processes and influence of the local geography were applied.

Onshore processing facility

LNG plant, Prigorodnoye production complex

In addition, there was a corporate meteorological station at the LNG jetty which regularly showed the characteristics of wind, waves and other parameters. This station allowed to perform constant monitoring of weather conditions online. Based on all these data a suitable weather window was determined and the vessel was moored to the jetty in compliance with the navigation safety rules. The key outcome of the two-day coordinated activities performed by various divisions of the company was a successful completion of LNG loading on 14 January with further departure of the Grand Mereya gas carrier to Japan.

Besides the southern Sakhalin, the nasty weather affected Sakhalin-2 northern production facilities including the onshore processing facility (OPF), where the booster station construction continues.

"The snowfall lasted almost the entire week. Thankfully, the cyclone had hardly affected our work processes, including the OPF booster station construction. All activities scheduled for this period have been fully implemented. Another company's key remote facility – booster station 2 – also operated steadily. It should be noted that our critical linear and areal facilities were regularly cleared of snow, and the units engaged in this work are fully equipped," said Denis Smirnov, Sakhalin Energy Onshore Assets Manager.

The Yuzhno-Sakhalinsk – Korsakov highway was opened to all kinds of vehicles on 14 January, and the regular rotation of shift personnel at the Prigorodnoye production complex was resumed. During the two-day transport isolation period, it had been supported by two duty teams. Employees were in complete safety and were provided with everything necessary.

The cyclone turned out particularly challenging to the logistics service – it still had to ensure uninterrupted access of personnel to all production facilities. For this purpose, the company, in cooperation with the regional and municipal authorities, the State Traffic Safety Inspectorate (STSI), the Chief Directorate of MChS of Russia for Sakhalin Oblast, organised special convoys which transported people and supplies between the settlements despite the low visibility.

According to Vadim Panin, Sakhalin Energy Logistics Manager, bad weather caused flight delays at Yuzhno-Sakhalinsk airport. In particular, the charter flight to Khabarovsk to later deliver Sakhalin-2 personnel to Nogliki, was cancelled. The company had quickly found the solution. It had the employees transported on a regular flight from Khabarovsk.

"Overall, all the tasks have been completed as planned. It is only possible thanks to the efforts and well-coordinated teamwork of all company's units engaged in the process," said Vadim Panin.

■ Pavel Ryabchikov

P.S. A three-day snow fall and two months of rainfall on Sakhalin reminded islanders of what a real winter should be like. Children in Yuzhno-Sakhalinsk were particularly excited about the unusual gift of World Snow Day, celebrated on 16 January. They found time for snowball fights, "diving" in the snow sea or conquering "one-storey" drifts near their home. It is certain that in those days many adults dreamt of a return to the carefree days of their childhood, when not only the trees but also the snowdrifts were big...

Winners of the Year

For 11 years, Technical Directorate conducts two evaluation rounds of business process optimisation projects implemented by the employees annualy and awarding special prizes to the authors.

At the end of 2021, initiatives, recognised after the completion of two rounds, competed for the grand prize. This time the Technical Directorate committee had a difficult choice – five projects made it to the final, all of them demonstrated excellent results and were worthy of the highest rating. As a result, the management of the Technical Directorate decided to recognise all the initiatives presented as the best projects of 2021.

The best projects of 2021 were the following initiatives:

- **"Selection of metallurgy for floating liners for PA-B and PA-A ERD wells".** The initiative was developed by three departments: Well planning, Construction and Maintenance, Field Development and TD Business Support departments.
- **"Optimisation of Astokh wells completion concept – introduction of open-hole gravel-pack technology"** (*read more in the interview "Should You Try to Reinvent the Bicycle?"*). The authors of the project are representatives of the Well planning, Construction and Maintenance department and Field Development department.
- **"MPQ oil deferment reduction through optimised PBU duration for oil producers".** The project was implemented thanks to the efforts of Field Development department.
- **"Dynamo transition: deployment of new reservoir simulation software".** Four divisions worked on the initiative: the Technical, Finance, Commercial and Information Technology and Information Management departments.
- **"Elimination of one run from openhole gravel pack completion operations on LUN-A wells".** Initiative was developed through cooperation between the two departments: Well Engineering, Construction and Maintenance and Business Support.

Technical Directorate management congratulates the winners and expresses its gratitude for their work and interest in promoting the continuous improvement culture.

■ Ekaterina Govorkova

Should You Try to Reinvent the Bicycle?

On the one hand, why come up with a new solution when there is a proven and reliable one? And on the other hand, what if a new bicycle has wheels that spin faster, saving staff time and bringing benefits to the company? We will try to find the answer to this question together with Production Technologist Roman Koryakin.

– Roman, the initiative "Optimisation of Astokh wells completion concept – introduction of open-hole gravel-pack technology" became one of the best projects of business-process optimisation in the Technical Directorate in 2021. What is its essence?

– The main idea was to simplify and standardise the well completion process*. Sand production is one of the main threats to field development. Therefore, oil producers require sand control completions to enable sand-free oil production throughout a well life. Historically, the standard well completion method in the Astokh area was a cased hole frac-and-pack (FP) technology.

– So you found a more efficient solution to finish the production wells while safeguarding sand removal controls?

– By offering a more simple yet more reliable and cost-effective technology, we have not discovered America. It envisages running Stand Alone Screens in the Open Hole (OHSAS) and has already been tested during the implementation of international and Russian oil and gas projects, including Sakhalin-2. Our know-how represents a precise calculation and standardisation of the method to be used on all oil and gas platforms of Sakhalin Energy.

– How was the work on the project going?

– The algorithm was simple: we outlined the task, analysed all the options for solving it in detail and chose the optimal solution. It excludes the process of wellbore clean-up above the formation isolation valve as a separate run and combines it with the intermediate completion unit without adversely affecting the well completion programme. A team of professionals from the departments – Field Development, Well Engeneering, and Business Support worked on the project.

– Roman, let's sum up all the benefits from implementing the initiative.

– With natural field production decline and a more challenging economic environment, it is getting more difficult to deliver economically attractive wells. The essential advantage of our option is higher well production performance and reduced cost. Proposed new standard well completion method requires less scope of work (the number of well operations), which significantly reduces the executional risks and optimises rig time.

I would also add the simplicity of logistics, storage and deployment of the equipment, and the withdrawal of additional equipment (perforation guns, pumps, mixers, gel, proppant). We need less staff to do this work – we can do it all by ourselves, and that is an additional saving on contractors' services.

– The economic effect is evident. But to achieve it, we had to include all of your team's resources. Please reveal the secret of how to set yourself up for improvement? Imagine yourself as Newton sitting under an apple tree?

From left to right: Artem Borodin, Fedor Domanyuk, Alexey Plotnikov, Roman Koryakin, Roman Brilyov

– I am afraid it will not help (smiles), many have sat under an apple tree, and the law of universal gravitation has been formulated only by Newton. We did not aim to develop new technology; we tried to accomplish the practical task reflected in our initiative's title. We are not reformers but rather optimisers. The implementation of our project will significantly simplify the work and make it more efficient.

– It will simplify it in the future, but it makes it more complicated in the present, because any modernisation requires much commitment.

– When you're passionate about a project, you don't notice it, especially when you have the support of your team. Today, continuous improvement has outgrown the programme status, becoming one of each company division's primary work principles.

■ Interview by Elena Gurshal

** The technological process in which a completed well is prepared for use by means of well-head equipment.*

achievement

The Final Destination is Eternity

Evgeny Kovalyov, Head of Corporate Safety Division, became a winner of the International HSE DAYS Project. Our conversation with the man of the hour instantly went from congratulations down to business.

– How do you feel to be among the top 20 leaders of occupational safety and health?

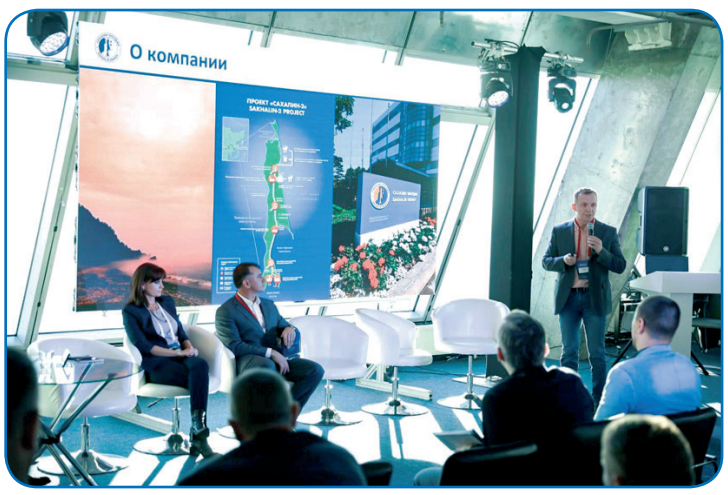
– Of course, it is a high opinion, but it is not only my award. First of all, I have to give credit to the managers, who drive the personnel to show continuous improvement and better results, the company's employees and contractors, and my HSE colleagues, who are ready to address any challenges at any moment.

– All of them have contributed, haven't they?

– Sure. One man does not make a team.

– Evgeny, tell us about the International HSE DAYS Project.

– This is a top-tier platform that brings together HSE professionals, best practice experts who contribute to achieving Goal Zero with a focus on fatal accidents, man-made incidents, and hazardous environmental emissions. With the Project launched on 11 June 2020, I have been a part of it basically since the beginning.



– So, the Project is not just a one-time thing, but a running professional association?

– Yes. Throughout the year, the Project's web site was the place to bring experts together to discuss topical safety issues and exchange experience on the most important topics. I took it online to talk about safety culture practices that are successful for our company. These include the Winter Safety Marathon, the Observation and Intervention Programme, and HSE leadership. The attendants were excited to learn more about them.

Also, I introduced the Golden Person Concept as a case study of how to streamline the employees' competence in today's environment. This topic was addressed more than once during the online meetings, and our company has actual experience to help visualise this process.

– The company's employees are well aware of this concept, but could you explain to other readers who is a Golden Person?

– A Golden Person is an employee who has passed a health and safety competence test and has no gaps in their knowledge. They also have taken mandatory safety training. The company puts all requirements into a single database (SAP system) which shows the real-time status and tells when it's time for another training. The system notifies the employee and their supervisor in advance, for example, that the admission time is running out and some gap needs to be filled in. This is important since our training portfolio has 111 programmes! Can you imagine how hard it would be to track all this manually?

– So, this is a virtual training matrix?

– You can say that. Today many companies have such requirements, but we have managed to streamline and automate it all. The Project participants showed interest in this experience.

– Which company's safety practices did you find the most interesting?

– I would say, the SIBUR's innovative safety training methods (gamification in the training process). Gazpromneft talked about the digitalisation of the risk management process (dashboard-based analytics). NLMK launched a digital space for occupational health and safety (a common information system combines over 20 business processes and offers an easy-to-use platform for production employees and occupational health and safety specialists, a total of over 3,000 users).

– HSE DAYS brought mastermind sessions as a new format to the event market. Do you think you managed to find promising points of cooperation with other participants?

– This format facilitated open communication because the event hosts wanted to bring together experts in our line of work who have actual tools and were ready to share their experience. I think, a mastermind session is a really efficient method which enables experts from different companies to look into challenges in private sessions and find an actual way to solve common issues. Such productive team effort does the groundwork for long-term cooperation.

– Evgeny, a project as huge as HSE DAYS clearly shows that conscientious industrial companies always put safety first.

– Exactly, and they have seen significant changes recently. When I told about ten years ago that our company investigates even the smallest incidents, not everyone was on board with that. Someone even used to say, "It's just a scratch, not a big deal." However, cuts and bruises happen for a reason; perhaps, the health and safety system did fail. Today it has become important for all conscientious Russian companies.

– So, it's a new chapter in occupational safety?

– We are witnessing system changes at the national level. In 2020, the regulatory guillotine changed the approaches to our work. And last year saw some alterations in occupational health and safety training, occupational risk management, and minor injury investigation. This evolutionary process highlights the role and responsibility of occupational safety experts, as the philosophy of change implies moving away from boilerplate solutions to enterprise-specific risk management. And here the employer can't do without reliable support from experts.

– Most accidents or incidents happen because of a human factor. You can have air-tight laws and an immaculate safety system in place, but the negligence of one person can make it all go away.

– That's why Sakhalin Energy is developing a liability system that extends to all and each. That's the focus of our safety efforts. As they say, the battle is planned by generals, but won by soldiers. But every general, as well as a soldier, must know their manoeuvre. There is no final destination on the road to safety. You get there, take a breath, and go forward again, to eternity.

P.S. During the layout of the February issue of Vesti, Evgeny Kovalyov was appointed to the position of Head of HSE department. Read the interview with the new division head in the next issue.

■ Interview by Elena Gurshal

i am goal zero

Heroes of Our Time

When we talk about heroes, we usually picture characters of Greek myths, children's books, and blockbuster films. But there's more to the list, isn't there?

In truth, heroes are not some fictional characters like Hercules and Superman, but real people. To know it's true, it's enough to look around and recognise our colleagues among them – participants of the Goal Zero programme, who truly care for other people and for whom "vigilance" and "intervention" are not just words, but principles of taking action. Videos displayed on the TV screens at the company's assets regularly talk about such people. This year, we have prepared a special Vesti column to give word to the heroes of these stories, which will hopefully inspire our readers to follow suit. Here's what we've learned this time...

ALEXANDER ZHDANOV, ECOSPAS, PRIGORODNOYE PRODUCTION COMPLEX

Alexander noticed a tree nodding along the Korsakov – Novikovo road near the Prigorodnoye production complex. At this portion of the road, which has a pretty busy traffic, a fallen tree could have led to a major road accident. Alexander reported the situation to the Korsakov Road Construction and Repair Department and to the urban district administration, as well as to his Line Manager. Duty drivers of the Prigorodnoye production complex were warned about the potential hazard. The tree was promptly removed by the Road Service.

Alexander doesn't consider his actions anything special. "For us, rescue team members, it's an ordinary thing. We've got a lot of experience and relevant training, and we actively participate in the Goal Zero programme, regularly filling out intervention cards," said Alexander.

To new rescue team recruits, he recommends that they first carefully study internal occupational safety instructions, the company's regulatory documentation and procedures on safety. And above all, it's important to not feel discouraged when dangerous situations that seem obvious to more experienced colleagues are not immediately evident to them.

"I think that this skill takes time. There's no other way. If you want to be able to notice any hazard on the fly, you need to have a certain amount of accumulated experience. In that regard, it's especially valuable to have other people intervene in your actions. It makes you realise that your colleagues care about your safety, that they watch you, and you start to automatically do the same and put your skills to use more actively in different situations. It's important in order to develop instinctive intervention skills," added Alexander.

EVGENIYA MAXIMOVA, SODEXO EUROASIA, ZIMA HIGHLANDS RESIDENTIAL COMPLEX

Evgeniya noticed a problem with a fastening on a playground slide near the Hub Recreation Centre. Together with a restaurant employee Leonid Prokopiev, she evacuated children from the playground, isolated the area, and put up warnings. After getting reported to the support service, the issue was fixed.

Evgeniya joined the asset team rather recently, in June 2021, but she has already intervened in other unsafe situations. "I take every situation like this to heart. During walk-around inspections, I pay attention to every little detail that can pose threat, down to sharp edges of floor skirting, ice build-up, and so on. I can't turn a blind eye and assume that someone else will notice it instead. I always try to make sure that all defects are corrected. Intervention cards really help with that," said Evgeniya.

She shared that she is especially attentive to children. "I'm a mom. My son is six going on seven. He's very active, always fidgets and looks for trouble. Naturally, I try to keep him in my field of view at all times. As a result, at work – and outside of it – I always pay attention to other kids. That's what most moms do – when coming to a playground, they keep an eye on all children there, not only their own."

Thanks to her keen eye and mother's skills, in 2021 Evgeniya prevented a very dangerous situation – she stopped a woman with a child who were almost hit by a truck on a zebra crossing.

"Some mothers are always on the phone, and they don't even care if there are cars around. This one was like that – she had a phone in one hand and her son's hand in the other, and she was about to cross the road, without checking for incoming traffic first. When I noticed the truck, I managed to stop the woman by pulling on her handbag. The truck zoomed by without slowing down. The driver was actually also on the phone, so the situation could've ended in a tragedy," recounted Evgeniya.

How is she able to stay vigilant and notice things that others don't normally see? The secret is that very experience that our previous hero was talking about.

"In 1992, my younger brother was born, and I would often get tasked with looking after him when my parents were at work. So, I've been working on my vigilance and reaction time since I was a kid," added Evgeniya with a smile.

■ Pavel Ryabchikov

digitalisation

IT Priorities in Modern Reality

Sakhalin Energy has a significant IT infrastructure which makes it competitive in the Russian market. Specialists and management of IT/IM Department make their best to sustain up-to-date development of the company and ensure to be the top company in the field of digital technologies. We strive to ensure the potential for efficiency growth by improving the reliability, security and performance of the corporate IT infrastructure.

In modern reality, the efficiency of IT Service performance directly affects the efficiency of the company. Today, success of the company performance largely depends on the appropriate use of digital technologies. Therefore, in new conditions, the IT Service becomes a value-added business partner just like the main production units. Business requires the focus on specific results and increased productivity. It seriously raises the requirements for performance of the corporate IT Department. Therefore, we are quickly developing and are ready for changes and transformations depending on the requirements of the company.

Remote work technologies accelerated the transformation of a usual communication model of the company. For instance, even now, when we have returned to the offices, we still use remote channels more often than we did before. The leading technologies in demand are remote desktop, video conferencing solutions and mobile services. Now, the company employees have less face-to-face meetings in the conference halls and have more virtual meetings (via virtual rooms, chats, smart helmets). First of all, it happens due to the fact that a stable practice of such communications has been adopted in the company.

Modern digital technologies give rise to new innovative services, therefore, with the constant development of business and complication of processes, the IT infrastructure of the company shall be able to support all changes caused by an active introduction of new information technologies.

■ Anna Mikryukova

DID YOU KNOW?

- **During transition to remote work in the beginning of 2020, the number of calls to the IT Help Desk has increased by four times. It is noteworthy that in 2021, this number has increased again. In 2020, the Help Desk specialists received about 2500 requests per month and last year their number increased by more than a thousand.**
- **A new Cisco Webex system was introduced. A great number of corporate events was successfully held online including those involving up to a thousand employees. The Cisco Jabber system was expanded for use by all employees of the company.**
- **Increased capacity of the VPN remote connection system set comfortable remote work conditions for 1500 employees without loss of communication quality. This practice is successfully used today.**
- **Two expanded Internet channels are working to improve reliability and quality of communication for the company offices and remote facilities.**
- **During the planned turnaround of the integrated gas chain facilities in 2021 the access to IT resources directly from the work sites was promptly set up via the Wi-Fi wireless network. New Wi-Fi infrastructure controllers in production areas have been launched and are successfully operating. At the LNG plant and OPF, two km of fibre-optic cable were laid in the shortest time.**
- **in 2021, the company completed a number of important projects, such as the development of the digitalisation strategy, the formation of the Terms of Reference for the Voskhod project – implementation of the SAP S/4 HANA system (more than 150 specialists in various fields were involved in preparing the Terms of Reference), as well as:**
  - **Digital signature and document control system;**
  - **Predictive analytics tool (AVEVA PRISM);**
  - **tNavigator software designed for digital hydrodynamic modelling.**

Personnel Changes Information System

In 2021, the Information Management Systems Development and Support Subdivision of IT/IM Department developed and implemented a system that reports personnel changes. This app was created on the basis of the Enterprise Service Bus (ESB)*. It makes it possible to automatically track changes in the labour status of an employee in SAP HCM, promptly transfer changes to UNICA, upload and send reports on documents and accounts.

A significant benefit of automation is the time it frees up, which allows employees to focus on more time-consuming and intelligent tasks and initiatives. In addition, business process optimisation has reduced numerous manual checks, improved the quality of operations, and increased productivity.

The system for informing about personnel changes can also be used for other processes related to reporting personnel movements.

** Middleware that simplifies the interaction between different corporate information systems.*

■ Yulia Tikhonchuk

Please send your questions and suggestions to SEIC-IM-Data-Management@sakhalinenergy.ru.

This technical solution enabled automation of a number of processes in the field of information management, in particular:

- control over access to confidential documents;
- transfer of responsibility for information upon employee dismissal or transfer;
- control over responsibility for the business processes information;
- account management in the electronic document storage system (UNICA).

Digital Transformation – Here and Now

Presently Sakhalin Energy is implementing digital transformation for corporate growth and development. The company defines digitalisation as a form of strategic management and a way to create new business opportunities. Follow this company target, Operations and Process Safety team introduce a number of initiatives focused on automation of fundamental Sakhalin Energy Asset Integrity Process safety (AIPS) processes.

One of these projects was the development of new Electronic Management of Change tool (MOC e-tool), through which one of the fundamental processes of the company is carried out. It ensures business risk, related to change, is identified, mitigated and accepted prior to a change physically occurring. Compared to the previous e-Tool application, the new corporate system features optimised work processes and new functionality. The e-tool will be integrated with DAM matrix, SAP data base, Action Tracker, UNICA and other systems. Besides, it will be interlinked with ePTW, TQ applications and enable interactions with Power BI, Outlook mail service, Active Directory and other services.

Apart of eMOC project, in 2021 there are two more important digital initiatives were developed: Master Alarm Database (MAD) and Alarm Management (ALMA) applications. The introduction of these initiatives is subject to the mandatory requirements of Sakhalin Energy's Alarm Management as part of safe production.

MAD implementation resolves data misalignment in DCS (distributed control system) and Variable Table settings. The overall functionality of the tool has been increased due to user-friendly interface and fast data access, single source actual database, Data standardisation format, comparison of DCS vs MAD and automatic misalignments identification, Multi-user data access and other improvements.

In the new revision of ALMA (Alarm Managment) application increased functionality of the tool with the introduction of new features: separate KPI for Console critical alarm rate, Shelved alarms recording, ALMA and MAD integration, opportunity to use ALMA database as data source for different visualisation tools, Heat Trace alarm monitoring via ALMA and etc.

All the projects mentioned above were developed collaboratively between IT/PI-RTO and Operating Integrity team (OI) and currently supported on daily basis.

It is worth noting that the Sakhalin Energy Digital Roadmap, made in 2019, recognised and approved eMOC and MAD initiatives as company digital accelerators.

Another digital and CI initiative is the "e-Integrated register" project. This application will consolidate all asset registers under one tool "umbrella", intend single point of access and input to registers via web, database storage, simultaneous multi-user access to data base, ability to build reports for specific records and many other useful functions. Tool development to be start in the first quarter in 2022.Besides of above projects, Process Safety team in collaboration with Control and Automation team is working on integration of existing ePTW system with new SOC certificate in one application. This will significantly minimise human mistakes and speed up authorisation process.

In addition to major project developments, we are also progressing with automatic dashboard creation using Power BI application. The reports allow any people to track the key performance indicators of the processes and made analyses of actual data. Moreover other projects are already in consideration for implementarion in 2022: Electronic Statement of Fitness (eSOF) and Cumulative Risk Tool development. The first initiative will help to computerise one of the key AIPS processes and replace old fashion paper form. And second, the Cumulative Risk Tool will provide visual understanding of risks and accuracy of data related to AIPS barriers health.

The ultimate goal of all digital initiatives is to develop a AIPS Tool kit, digital environment for future company growth. This digital solution will be a single point of access to all applications and dashboards, ensuring deep integrated and connectivity. This will be an essential tool for day-to-day business for remote assets and office users.

■ Nikita Kolesnikov

digitalisation

Digital Début on the Molikpaq

In the face of the pandemic, Sakhalin Energy changed its approach to managing operations at its production facilities. This required a swift decision to set up an infrastructure that would provide affordable ways to provide remote expert support in real time. The company was one of the first in Russia to start large-scale introduction of digital twin workstations at the LNG plant. Today, this practice is being extended to the offshore facilities of the Sakhalin-2 project operator.

Historically, the commissioning of complex equipment on the Molikpaq offshore gas production platform was carried out with the participation of the manufacturer's engineers. But due to the pandemic in 2020–2021, an unprecedented thing occurred – most international borders were closed, which jeopardised the arrival of technical specialists from other countries at the company's production facility.

The team of the Drilling Rig Upgrade Project – one of the main projects of the platform – began to proactively develop a contingency plan to be followed in case it was necessary to carry out work, and the personal on-site presence of the manufacturer's representatives would not be possible. The most challenging thing proved to be the location: the commissioning work sites were located in close proximity to the wellhead areas and directly at the drilling rig, which called for extra requirements for the use of any additional electrical equipment. The equipment type was approved, and the equipment was later installed by the project team through the Management of Change (MoC) system, with the company's technical authorities involved.

As a result of the work, in early 2021 four areas of the platform were equipped with advanced explosion-proof Wi-Fi access points*, which made it possible to receive remote support from specialists from anywhere in the world when performing work in these areas. To transmit the project data, the company purchased explosion-proof tablets and HMT-1Z1 augmented reality modules – unique intrinsically safe headsets with voice control. The wireless interface allows for audio and video communication, provides access to documentation, manuals, applications, and real-time data navigation. And the user's hands remain free, so they can perform other actions, operate tools, while being fully aware of the situation. The necessary software was delivered to the platform and set by the IT Department of the company to ensure uninterrupted support of suppliers.

In December 2021, the platform specialists used the augmented reality module to establish a connection with ABB Norway, a supplier of a new variable frequency drive. It was needed for the supplier's experts to be able to assist in the installation of electrical panels, as well as to check the operation of auxiliary systems as part of the Drilling Rig Upgrade Project. In addition, a remote connection was successfully established with PSW, a subcontractor, and Siemens: the plant engineers were granted access to the control panel of the ventilation and air conditioning system to make the necessary adjustments to the installation. The described solutions made it possible to avoid delays in the performance of scheduled work, as well as to significantly optimise further stages of the project.

The outcome of using such technologies at the company's offshore facilities proves, yet again, the irreplaceable benefits of digitalisation for enterprises. Digitalisation is transforming the world, changing people and business companies. And we have no right to resist these changes.

** Designed to deploy a wireless network in potentially explosive areas of chemical, oil refining, gas, and other industries.*

■ Andrey Shevnin

Under the Same Roof

russian content

The Moscow Branch of the Central Design Bureau of Valves hosted the first specialised round table. It was devoted to import substitution of valves for the Sakhalin-2 project.

The topic of shut-off and control valves import substitution has been of particular importance to Sakhalin Energy for several years now. Specialists of the interdisciplinary working group, which includes experts from the Production Directorate and the Supply Chain Management (SCM) Department, conducted in-depth studies of the domestic valve market together with Gazproektengineering and collected extensive data for the step-by-step transition to the use of Russian products.

However, the share of imported shut-off and control valves purchased by Sakhalin Energy is still high. Why is it so? What technical aspects are holding back a wider use of Russian shut-off and control valves in the project? What affects the pricing and what products can domestic manufacturers offer today? To find the answers to these and other questions, the Scientific and Industrial Valve Manufacturers Association (NPAA) together with Sakhalin Energy organised a round table discussion.

The event was attended by representatives of leading Russian valve manufacturers: Blagoveshchensk Valves Plant (BVP), Gusevsky Valves Plant (Gusar), Penztyazhpromarmatura (PTPA), Armalit, Energomash, Regulator NGO, Firm Soyuz-01, Energomashcomplect, Armstroyexport, as well as representatives of Gazproektengineering design institute. Sakhalin Energy's representatives Maxim Makarov (Head of the Static Mechanical Equipment Subdivision), Yuriy Lopashchuk (Lead Mechanical Engineer of the Design Subdivision), Ruslan Pantyukhin (Contract Manager of the Equipment and Chemical Contracts Subdivision) and Dmitry Dubik (Russian Content and Vendor Relationships Manager) made presentations for the round table participants.

Anton Gorelkin, Deputy General Manager of Sales, PTPA: "For us, Sakhalin Energy is one of the key customers in the Russian market. We understand that the company's requirements are different, but we regard this not as a barrier to our cooperation, but rather an opportunity for us to grow technically and reach a completely new quality level of production. Holding such round tables is a step towards manufacturers. This format makes it possible to effectively discuss problematic issues, give and receive practical recommendations on how to resolve them. It is a perfect opportunity for Russian companies participating in the discussion to exchange experience, and for the customer – to estimate the potential of partners at an early stage of their business relationships."

Ivan Ter-Mateosyants, Executive Director of NPAA, PhD in Technical Sciences, moderated the event. He welcomed the audience on behalf of the organisers. Then the participants proceeded to presentations and open discussion.

They discussed various topics: the results of work to select analogues among Russian valves, Sakhalin Energy's technical requirements for the valves design and testing (including cryogenic valves), localisation and Russian content, specific features of tender procedures. The topics of standardisation, interaction with other operators of oil and gas projects to unify technical requirements, the possibility of the company using certificates, obtained as a result of the qualification procedure for the supply of valves to other customers' facilities, in its procurement process were no less important.

The parties discussed a number of urgent problematic issues. In particular, many Russian manufacturers cannot supply products for the Sakhalin-2 project due to the fact that the company uses foreign standards and steel grades. Is there really no effective and safe way to replace foreign valves with Russian analogues? This question was addressed by one of the participants of the round table to Maxim Makarov, Head of the Static Mechanical Equipment Subdivision at Sakhalin Energy.

Maxim Makarov explained: "At first glance, it seems quite easy to replace a foreign-made block valve with a domestic one, given the exterior similarity in design and functionality. Upon detailed analysis, however, we see that a valve made from Russian steel according to domestic standards is not always an absolute analogue of a foreign original unit. It may not be suitable for use within a piping system due to inconsistencies in parameters, including the face-to-face length, material design, type of connection, discrepancy in test methods, and so on. As regards new sections of the pipe installed as part of upgrade projects or greenfield projects, domestic valves usage is more promising depending on project specification. In addition, Russian valves made from a confirmed domestic analogue of a foreign steel grade with an ASME face-to-face length can also be used on existing piping, subject to successful testing and design verification. GOSTs provide for analogues of valve tests, and it is possible that in the future the practice of such testing and equipment of special test benches will be more widespread due to the development of LNG production. I am convinced that the successful completion of the development of company localised specifications for process piping based on GOST components will further contribute to an increase in the share of Russian products in the total amount of valves purchased by the company."

Responding to a comment from a representative of a Russian control valve manufacturer about the unavailability of Shell specifications (MESC and DEP), which the company uses when purchasing valves, Yuriy Lopashchuk stressed that one of the limiting factors in the use of Russian pipeline valves at Sakhalin Energy facilities is differences between the foreign standards used in the design of the Sakhalin-2 project and GOSTs, which are the basis for the development of most domestic products. Nevertheless, many Russian valve plants today are able to produce needed piping valves, including those according to foreign standards. Therefore, the English names and abbreviations used by Sakhalin Energy stand for standard industry requirements. If they are followed, the good quality of production and high reliability of equipment is guaranteed. This is crucial for Sakhalin Energy, as it puts industrial safety on top of the priority list. Yuriy Lopashchuk also emphasised that one of the Russian manufacturers participating in the round table had already confirmed compliance with these requirements and won the tender for the supply of manuel valves for the flowlines on Sakhalin Energy's offshore platforms. This example proves that it is not so much about the excessive requirements of the company, but about the willingness or unwillingness of the manufacturer to comply with them. In addition, all Shell specifications can be obtained from an authorised organisation – representatives of Gazproektengineering already have experience in getting such a subscription.

An equally significant issue discussed by the round table participants was pricing. The topic caused heated debate. Some manufacturers said that the requirements for foreign material design significantly add to the cost of the final product; others argued the opposite.

Kirill Molchansky, Head of the Sales Department, Energomash: "We have been working on cooperation with Sakhalin Energy for a long time already and are currently trying to reach the level of a regular supplier of certain products. Our plant can manufacture valves in full compliance with Sakhalin Energy requirements and use foreign steel for this purpose. But we are also confident that certain types of valves made from Russian materials will not be any worse in terms of reliability and quality than imported products. Moreover, they will be several times cheaper than their European and American counterparts. This is why the round table has been very useful to us – it is a platform where we have been able to discuss key technical aspects with the potential customer and outline specific steps to further develop our cooperation."

"The issue of pricing is important for the company as a customer. Technical conformity does not guarantee that a contract will be awarded or an order will be placed. We choose a supplier based on the optimal technical and commercial proposal (TCP), so it is important to approach this issue rationally," said Ruslan Pantyukhin, a SCM representative. He explained the details of the procurement procedures at Sakhalin Energy, pointed out typical mistakes of Russian enterprises when preparing a TCP package, and shared with representatives of supplier companies some tips on how to effectively participate in tenders run by Sakhalin Energy.

Summing up the discussion, Dmitry Dubik commented: "This round table is a truly important event, since not every customer is ready to gather the key market players under the same roof to discuss the current problems of Russian valve product supplies in an open, friendly way and, moreover, offer specific recommendations on how to solve them. The participation of several stakeholders (the customer, the designer, manufacturers, and the industry association) at once makes this event exceptionally useful for developing optimal and effective solutions. I am convinced that such meetings should be held more often and not only on pipeline valves, but on other topics as well. They contribute to the development of Russian content in the Sakhalin-2 project and improve the quality of the interaction between the participants in the procurement process."

The participants of the round table thanked one another for the interesting and constructive discussion, and agreed to meet in the same format next year to sum up the interim results of Sakhalin Energy's cooperation with Russian manufacturers.

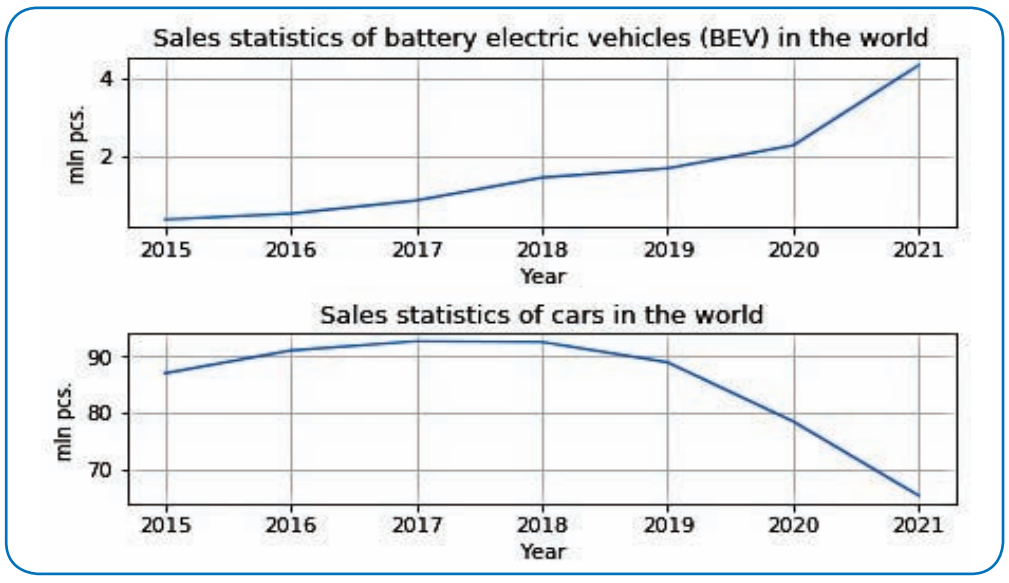
■ Russian Content and Vendor Relationship Team

Prospects for Sustainable Transport

Transport is one of the most important components of the monetary base of the economy of every country and has long been considered to be the engine of progress. In the modern world, transport services ensure the efficiency of social production and the normal functioning of the economy as a whole.

Complying with the Paris Agreement, many states began to introduce regulatory measures to reduce carbon dioxide emissions into the atmosphere. According to the World Resources Institute, road transport (cars, trucks, buses) accounts for about 15.9% of all sectors of the economy in the world. This is why automakers have actively begun producing vehicles with electric motors, and many countries encourage the population to purchase electric cars, offering various tax incentives, free parking and charging stations in cities. And yet, what is the extent to which electrification of transport can help reduce the total CO_2 emissions on the planet in the current conditions? The question is topical.

In 2021, the overall number of vehicles in the world exceeded 1.4 billion units. In 2018, the number of sold cars reached a peak (92.4 million cars). Then, there was a decline due to the economic crisis caused by the pandemic and an increase in car prices by 20–40% in 2021 due to logistical problems with the supply of components and a shortage of microchips used in electric vehicle production. At the same time, sales of electric cars have been growing in the last five years. In 2021, the increase was 90% compared to the previous year.



Manufacturers declare that electric vehicles have a number of advantages over traditional ones with internal combustion engines (ICE):

- high environmental friendliness associated with the complete exclusion of fuel combustion;
- lower cost of electricity compared to the cost of purchasing fuel for internal combustion engines;
- high reliability due to a smaller number of parts and units, and, accordingly, lower repair costs;
- lower noise level.

It is believed that the most important of the above advantages of electric vehicles is environmental friendliness in the area of their operation. For this reason, the development of this type of transport in Europe finds significant support from governments, and its practical application – among certain segments of the population. It should be noted, however, that for some regions the environmental benefit of electric vehicles is quite controversial. It is obvious that emissions of harmful substances and greenhouse gases do not occur directly from electric vehicles, since they consume electricity instead of fuel, which is what their manufacturers draw general attention to. However, people are not reminded that most of the electricity produced in the world is generated at thermal power plants by burning coal, oil products or natural gas, which is inevitably accompanied by the release of harmful substances and greenhouse gases into the atmosphere. In Russia, for instance, these power plants account for 68% of electricity generated.

Moreover, the manufacture of a mid-range electric car results in the emission of 8.1 million grammes of carbon dioxide. The amount of CO_2 emitted in the course of manufacturing an ICE car of the same size is less by 32%–5.5 million grammes. The figure is higher for electric vehicles due to the production of a battery pack – one of their main elements.

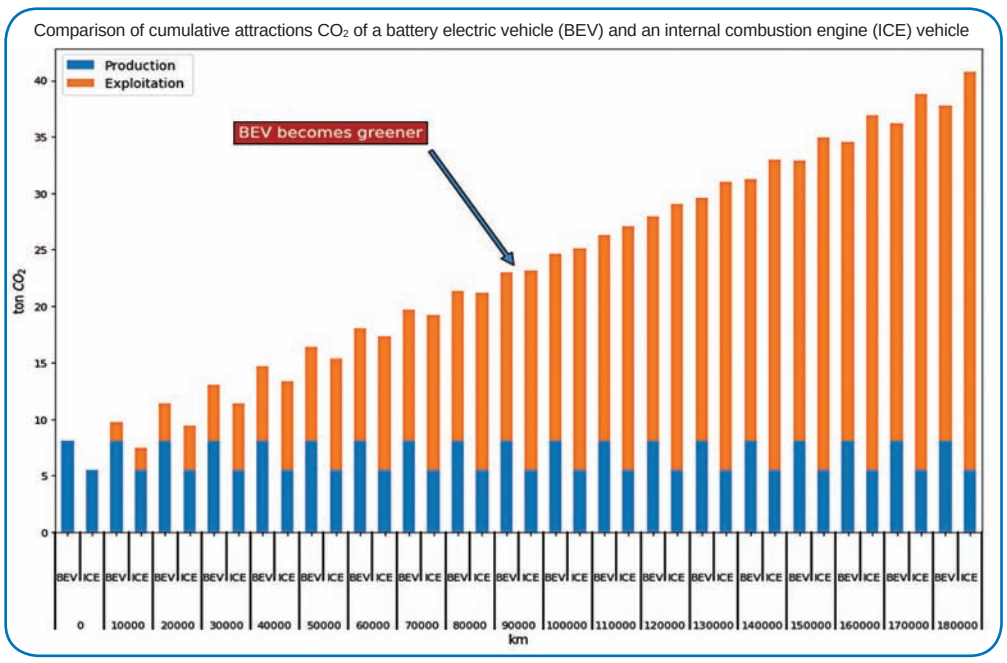
The environmental performance of fuel-driven and electric-powered vehicles can be compared on the basis of a comparison of specific CO_2 emissions (g/km) using the well-to-wheel (WTW) analysis, used to assess the environmental friendliness of a particular vehicle. Carbon dioxide emission directly depends on the amount of fuel burned, that is why specific CO_2 emission can be calculated based on the amount of fuel consumption per vehicle kilometre, taking into account not only the energy efficiency of the engine and drive, but also the efficiency of producing and transporting fuel or electricity to the vehicle.

Useful energy consumption by an electric vehicle is 0.43–0.54 MJ/km. The efficiency of the electric motor is 88–95%, and the efficiency of the transmission for an electromobile is comparable to the efficiency of the transmission for an ICE car (80–90%). Thus, the amount of energy consumed by an electric vehicle will be 0.54–0.70 MJ/km.

All electricity consumed by households, industrial and urban facilities, and electric vehicles is produced at power plants of various types and transported through power lines. In Russia, nuclear power plants and hydroelectric power plants, which do not consume fuel for electricity generation, produce 32% of all electricity. The remaining 68% of electricity is generated by thermal power plants (TPPs), which mainly use coal, natural gas and oil products. The average efficiency of TPPs is 33%. In addition, a significant proportion of electricity (20–40%) is lost during its transportation, as well as during voltage conversion at step-up and step-down transformer substations.

The relative amount of heat generated by burning fuel at thermal power plants to produce electricity is 1.63–2.06 MJ per electric vehicle kilometre. In this case, CO_2 emission will be 128–165 g/km.

According to the International Council on Clean Transportation (ICCT) and the Energy Research Institute of the Russian Academy of Sciences, today the specific consumption of petrol in ICE cars averages 6–7 litres per 100 kilometres, or 0.06–0.07 l/km. The calorific value of petrol is 31.2 MJ/l, so the relative amount of heat released during the complete combustion of fuel will be 1.87–2.18 MJ per vehicle kilometre. The total efficiency of the operation of ICE vehicles, including fuel, thermodynamic and mechanical efficiency, averages 20–25%. Consequently, useful energy consumption by an ICE vehicle will be 0.42–0.49 MJ/km, which is quite comparable with the same parameter for electric vehicles.



According to the principles of the WTW analysis, it is necessary to take into consideration the efficiency of fuel production and transportation. Taking into account the energy used for the production and transportation of petrol, its conditional specific consumption will be, on average, 0.073–0.085 l/km (equivalent relative energy consumption is 2.27–2.64 MJ/km). The complete combustion of one litre of petrol releases 2.3 kg of CO_2, so the value of specific carbon dioxide emission for cars with internal combustion engines will be 168–196 g per vehicle kilometre.

Thus, rough estimates show that in Russia an electric car will become 7.8% more environmentally friendly than an ICE car only after it has run 180 thousand kilometres. In other countries, corresponding figures will vary depending on the balance of power generation sources.

So far, the economic advantage of electric vehicles over traditional vehicles is questionable. We must not forget that state excises and taxes account for more than a half of the cost of automotive fuel. In the event of a declining operation of vehicles with internal combustion engines, state excises and taxes will be reimbursed at the expense of electromobiles in one form or another. Besides, it is necessary to take into account the cost of expensive batteries (25–50% of the cost of an electric car), which will eventually need to be replaced (the life of a battery pack is 5–7 years). It should also be noted that with a multiple increase in the fleet of electric vehicles, there may arise problems with raw materials for the manufacture of batteries (lithium, nickel, cadmium, and others), which will lead to a dramatic increase in their prices. The maximum battery capacity is reached at a temperature of about 20°C. This means that the drive range of an electric car is reduced in winter and summer, although it takes the same amount of energy to charge it.

Considering the above, the share of electricity generated from renewable sources will have to be well over half to achieve a real reduction in CO_2 emissions. Given the volatility of wind and sun rays, it is necessary to develop advanced technologies to store large amounts of generated electricity in order to ensure a stable supply of power regardless of weather conditions. In addition, economic justification of a large-scale transition to electric vehicles will require developing new technologies to reduce production costs, improving the technical characteristics of battery packs as one of the most important components of an electric vehicle in order to extend their service life.

■ Prepared by Maxim Bakulin based on sources auto.vercity.ru, himagregat-info.ru

personnel

Experience in the YamalSkills Language

At the end of 2021, the Yamalo-Nenets Autonomous Okrug hosted YamalSkills – the first interregional championship in the field of the oil and gas industry, and traditions and crafts of the North. It was held according to WorldSkills standards. The Sakhalin Oblast delegation included Ruslan Oblekov, Russian Content Development Advisor, Tatyana Darmeshkina, Head of the Industrial Training Centre, and Maria Skokova, Lead Specialist of the Social Performance Subdivision. We asked our colleagues to share their impressions of the event.

Bronze medallist at YamalSkills in the Well Drilling competence Pavel Kalashnikov

– Ruslan, had you participated in such events before, or was it your first such experience?

– Some of the key goals of WorldSkills are to introduce new standards for working occupations, as well as to improve the examination system in secondary vocational and higher education institutions. Sakhalin Energy was the first oil and gas company of the island region to start developing corporate standards. I joined the initiative two years ago, and I am proud to say that we have developed the training standards for such occupations as Drilling Engineer, Oil and Gas Production Technologist. We intend to bring them in line with the WorldSkills standards and later hold competitions in these competencies. Last year, I took part in the VI Regional Championship "Young Professionals" (WorldSkills Russia) as a jury expert in the Oil and Gas Production skill. The skill had just been introduced into the competition, and our Technical Directorate specialists were directly engaged in the development of the examination modules.

– Theodore Roosevelt once said: "People don't care how much you know until they know how much you care".

– WorldSkills is a great opportunity to share experience with the younger generation, meet professionals from other companies, brush up the knowledge that has not been used for a long time, and just have some fun.

– If WorldSkills competitions existed when you were a student, would you have participated in them?

– I think I would. By the way, there was something similar in the Soviet Union. Almost every town or city had a Pioneers Club with a variety of activities to engage in. I, for example, attended a young journalists club, although not for too long. During school years, I got some practical experience as a tile layer and as a Gas Well Diagnostics Operator.

When perestroika started, a trendy word "manager" emerged. Everyone was wondering what it meant. Where there is demand there is supply – people started receiving training in the West, learnt there new techniques, including business games and coaching sessions. In the late 1980s, the first multi-day competition between managers was held in Nadym, my home town. There were more than a hundred participants, and I entered the Top 10. Sadly, the early career guidance system was ruined later. Now it is recovering, and I'm glad that young people can be part of the Young Professionals movement. It's great, isn't it?

– At the YamalSkills Competition, two students represented the Polytechnic College of Sakhalin State University. What can you say about their performance?

– Personally, I think they performed very well, given how little time they had to prepare for the competition. Of course, they lack practical experience of participating in such events, which is not surprising. In Sakhalin, the first (!) competition in the new Oil and Gas Production skill was hosted only in March last year. Pavel Kalashnikov came first at the time. In the interregional stage, he won a bronze medal in the Well Drilling skill. That's a great result.

– Do you agree with the concept of lifelong education – "from learning for life to learning through life"?

– Absolutely. An engineer is not someone who knows all the formulas in the world. It is a person who can understand a technical text when they read it or can guess the purpose of a device and the principle of its operation when they see it. This is what an "engineer" means to me. And this is exactly what should be developed in people, no matter what position they occupy: working, technical, or managing.

– Doesn't such an early career choice lead to the future described by Aldous Huxley in his dystopian Brave New World?

– Huxley wrote this book almost a hundred years ago. Later, as he observed technology develop, he admitted that he would add more diversity to the events and choices people faced. In fact, we are already living in the "brave new world" with its increasing segregation, the institution of marriage falling apart, and so on. Or maybe it's just my inner optimist having the blues.

– Let us presume the glass is half full…

– More on this topic, Huxley wrote about the segregation of people without a possibility to transition from one caste to another. But early specialisation is not a stigma for life. We know many examples when people drastically changed their profession. This happens in our company too. Currently, early specialisation is rather an opportunity to start earning for your needs earlier in life. On the one hand, I do not think it is a big problem if someone chooses a career early. On the other hand, a person can change their mind after working in the chosen occupation for some time, and it is simply a waste of time – the most valuable and non-renewable resource.

– And yet why do you focus on the engineering mindset? Is it because you are a techie? Like seeks like or..?

– There are certain limitations in life (even in the non-Huxley's world). No offence to humanities majors: a techie can switch from geology to information technologies or other areas, but to make a good engineer out of a humanitarian is a truly Sisyphean task. What is important is to be able to analyse and think critically, to have one's own informed opinion. In this sense, I prefer the method of "doubt" by René Descartes. Early specialisation, however, is not as alarming to me as the tendency in education to reduce the time of vocational training and the amount of basic knowledge in favour of the so-called soft, or flexible, skills.

Ruslan Oblekov at the drilling rig simulator

Today the focus is on training not just professionals, but leaders who adapt to changes in the external environment. There is no doubt that these flexible skills are important, but it is impossible to form a highly-professional engineering and even workers team without basic knowledge gained at school, college, or university. The less knowledge you have, the more challenging it is to adapt to changing technology. Soft skills are not enough in this case. I would not like to live in the Brave New World described by Huxley, where a caste of people with no education is eventually formed. I'm worried about it. Happily, there develops WorldSkills movement in Russia, which is very encouraging.

– Tatyana, our conversation with Ruslan Oblekov ended on an optimistic note. How do you find the results of the YamalSkills competition?

– As the head of the company's Industrial Training Centre, I find this project very interesting. To me, it was important to understand how secondary vocational education institutions cooperate with fuel and energy enterprises in the region, how the parameters of YamalSkills competencies are being introduced into the learning process, and whether this helps Yamal colleges to train students for work at production companies immediately after graduation. The competition was an excellent opportunity to find these answers, and also to communicate with specialists from other regions. The WorldSkills movement is aimed at increasing the prestige of and demand for working occupations, and this is exactly what we do. In addition, it is a kind of integrator platform for business, personnel, and institutions of secondary vocational and higher professional education.

– The list of companies that took part in the event is impressive. There are nearly ten fuel and energy enterprises on it. All of them are potential employers. Does the YamalSkills competition help finding future employees?

– The competition is a good indicator: it shows all ups and downs. We had an opportunity to analyse how the organisers developed a competence-based approach both in training and in defining the further development path of a newly employed worker, their growth to engineering and technical positions.

At Sakhalin Energy, we have always been assessing the competencies of workers at our production facilities, so it was interesting to compare our experience with the developments of YamalSkills. I noted that secondary vocational education institutions and employers had found their niches in the process; they do not try to appropriate some extra functions.

– Boots should be made by a shoemaker, and pies should be baked by a baker…

– Yes, everyone should do their own job. As a representative of an employer, I can't fully assess the results of the competition without the economic component, some data showing its effectiveness. Besides, much attention was paid to technical skills, but I did not hear anything about HSE competencies. They are crucial for our company because our production culture is based on risk assessment and compliance with safety rules.

– And still, I believe, there were more good things, right?

– For sure. It was very interesting to see how representatives of Yamal colleges strategise their interaction with future employers, encourage them to become sponsors, or rather investors in the education. As a follow-up, Gazpromneft-Yamal equipped several thematic classrooms with simulators of the latest oil and gas equipment in Novy Urengoy Multidisciplinary College, which hosted the competition. The Gazprom training centre not only accepts trainees from the company, but also offers places for school students and gladly employs them after the completion of the training. SIBUR and NOVATEK help organise classes with elements of augmented reality, closely monitor the quality of education, attend exams and tests. Yamal is a truly amazing region. Many large companies are concentrated in a relatively small area here. And they all stick to the principle of "integration instead of competition".

– It would be useful to apply a similar approach when training Sakhalin personnel.

– For more than 10 years, Sakhalin Energy has been fruitfully cooperating with secondary vocational education institutions of Sakhalin. We help training students in specialised areas and facilitate their adaptation to the oil and gas labour market. A vivid example of such cooperation is the arrangement between the company and Polytechnic College of Sakhalin State University. The latter prepares young specialists, while the company provides practical training, organises participation of experts in the review of the curriculum. As for the development of the WorldSkills movement, however, our region is just taking the first steps. This is what Ruslan Oblekov spoke about earlier. The YamalSkills competition was also attended by Konstantin Strokin, Director of the Technical Oil and Gas Institute of Sakhalin State University, Elena Babina, Deputy Minister of the Sakhalin Oblast Ministry of Education, and Anastasia Kozhepenko, General Director of the Regional Human Capital Development Agency. I believe that together we will be able to create an effective mechanism for solving the urgent task of training qualified, sought-after specialists for the oil and gas industry in the region.

(Continued on page 13)

(The ending. The start on page 13)

– Maria, two other colleagues focused more on the development of the fuel and energy skills at the YamalSkills competition. As far as I understand, you are interested in another aspect of the event, aren't you?

– That's right. The YamalSkills competition combined the training of young specialists in two areas – skills needed for the implementation of international investment projects in the Yamalo-Nenets Autonomous Okrug, and the traditional competencies aimed at preserving the way of life of northern peoples.

– This is something that Sakhalin and Yamal have in common: in both areas the oil and gas industry is actively developing, and a lot of efforts are made to preserve the culture and traditions of indigenous ethnic groups.

– YamalSkills has managed to combine modernity and tradition, giving relevance to both.

– Speaking of the latter, what were the skills the participants competed in?

– There were eight skills: Reindeer Herding, National Cuisine, Northern Fish Processing, Artistic Wood and Bone Carving, Teacher of a Nomadic Kindergarten, Nomadic Paramedic, Management of the Traditional Dwelling of the Peoples of the North (Chum Keeper), and National Folklore. Apart from that, there were a number of competitions in traditional sports. The participants' performance was evaluated

Sakhalin Energy representatives among the participants of YamalSkills championship

by representatives of the college together with experts from businesses and government agencies. For example, the industry expert in the Artistic Wood and Bone Carving skill competition was an artist-designer of the State Regional House of Crafts.

– Sakhalin Energy has successfully built relationships with the indigenous peoples of the island. Would it be useful to adopt these practises as well?

– Of course, this is exactly why I visited the championship – to learn from the experience of others to use it on Sakhalin. The organisers of the event faced a rather difficult task: holding competitions in certain skills was like solving an equation with multiple unknowns. The competitions were conducted in a test mode; some methods were finalised in the process. It is not surprising at all – it is a very challenging task to choose the evaluation criteria, include all components.

– Do you have any plans in this direction?

– Our colleagues from the Yamalo-Nenets Autonomous Okrug – representatives of Salekhard Multidisciplinary College – are going to hold a workshop for our company specialists. In addition, we can now see a bigger picture. Sakhalin Energy together with the partners in the "Safety Is Important!" programme holds annual Safety Day, where Sakhalin school teams compete in various skills. We also know that there is a separate WorldSkills programme for school students. So why not organise some of the Safety Day competitions according to the WorldSkills Juniors standards? This will give school students an opportunity to choose a future profession they will be really interested in, and will bring our programme to a new, higher level. We have some other developments, but I will do as the saying advises: don't tell people about your plans, show them your results.

■ Interview by Elena Gurshal

doctor's office

COVID-19 Has Brought About Some Positive Change

How successful was the company in combating coronavirus and influenza in 2021 and what should we expect from 2022? Answering this question, along with several others, is Konstantin Kokorin, Head of Sakhalin Energy's Corporate Health Section.

– Konstantin, the COVID-19 pandemic seems to stay here this year. Is there light at the end of the tunnel in terms of countering this dangerous disease?

– Over 2021, the company has amassed a wealth of experience, procedures and algorithms helping to keep the infection off Sakhalin Energy assets, as well as guidelines on how to act in case it does make its way into company facilities. We had an especially busy season during the large-scale scheduled shutdown of the gas chain that involved around three thousand technical specialists. We managed to accomplish our key goal: to prevent COVID-19 from impacting the health of our people and sustainability of our business.

Is there light at the end of the tunnel? There always is. This is not the first, or last, time that humanity faces a pandemic. Some 100 years ago it was influenza, this time – coronavirus. Several more years will pass, and COVID-19 will become a seasonal disease.

– In that case, when do you think we will be able to go back to the normal, pre-COVID way of living?

– We will probably never live exactly the way we lived before the pandemic, but maybe it's for the best. Let me remind you that COVID-19 has brought about some positive change in our lives. For example, just a few years ago we could barely imagine having a legal framework regulating remote work in Russia. This issue always used to stir doubts among employers. And now we have a relevant law.

As far as the company is concerned, in October 2021 the General Coordinating Committee updated the procedure for arriving at remote production facilities, and this will have a positive effect on our employees' schedules. Depending on the herd immunity among facility teams, we will apply different procedures, up to cancelling observation if the 80% level of immunity is achieved.

– Has anyone achieved this threshold yet?

– Yes. No observation is imposed on the teams of pipeline maintenance depots, Booster Station № 2 and OPF. Next up are offshore production platforms. Their verified herd immunity values and requests for optimising procedures for arrival at these production facilities have already been submitted to the General Coordinating Committee. We are now waiting for their decision.*

– Vaccination plays an important role in combating infectious diseases. What has been achieved during the recent vaccination campaigns?

– At onshore assets vaccination against coronavirus and influenza is organised with the involvement of local medical institutions. We are planning to introduce this practice for employees of offshore assets leaving temporary accommodation facilities as well. Overall, almost 2,200 people involved in the Sakhalin-2 project completed a double-dose vaccination course over the last year. Around a third of them are Sakhalin Energy staff.

As for the influenza vaccination campaign, the recent numbers are somewhat smaller compared to those of the last year. It is due to the fact that combined vaccination against influenza and coronavirus is harder to organise. Initially, it was necessary to have a month interval between the influenza and coronavirus vaccines, which is not quite convenient for the personnel working at remote facilities. For example, our employees got vaccinated against COVID-19 but then their shift was over, and they left. How can we make them get a vaccine against influenza as well? Now, there is evidence that the vaccines can be safely administered practically at the same time. We have immediately made changes to our procedures and encourage our personnel to adopt this option.

– In what ways?

– We mainly appeal to common sense. We are telling them that infection with coronavirus and influenza at the same time aggravates the negative consequences and increases the risk of severe complications. That's why it's very important to protect ourselves not from one but from both of these infections.

– Should we expect introduction of QR-codes in the company?

– There is a heated debate about introduction of QR-codes in Russia right now. Our law-makers have not yet reached a general consensus on this matter. Naturally, after the decision is passed, the company will closely follow all regulations adopted in the Russian Federation and Sakhalin Oblast.

– Those who have already been vaccinated are now considering re-vaccination. Which vaccine to choose? Will the vaccine used the first time protect us from new COVID-19 strains?

– The most widely used vaccine to date is Sputnik V. Its effectiveness is, therefore, the best studied. It beats all other vaccines in this respect, although it doesn't mean other vaccines used in Russia are less effective.

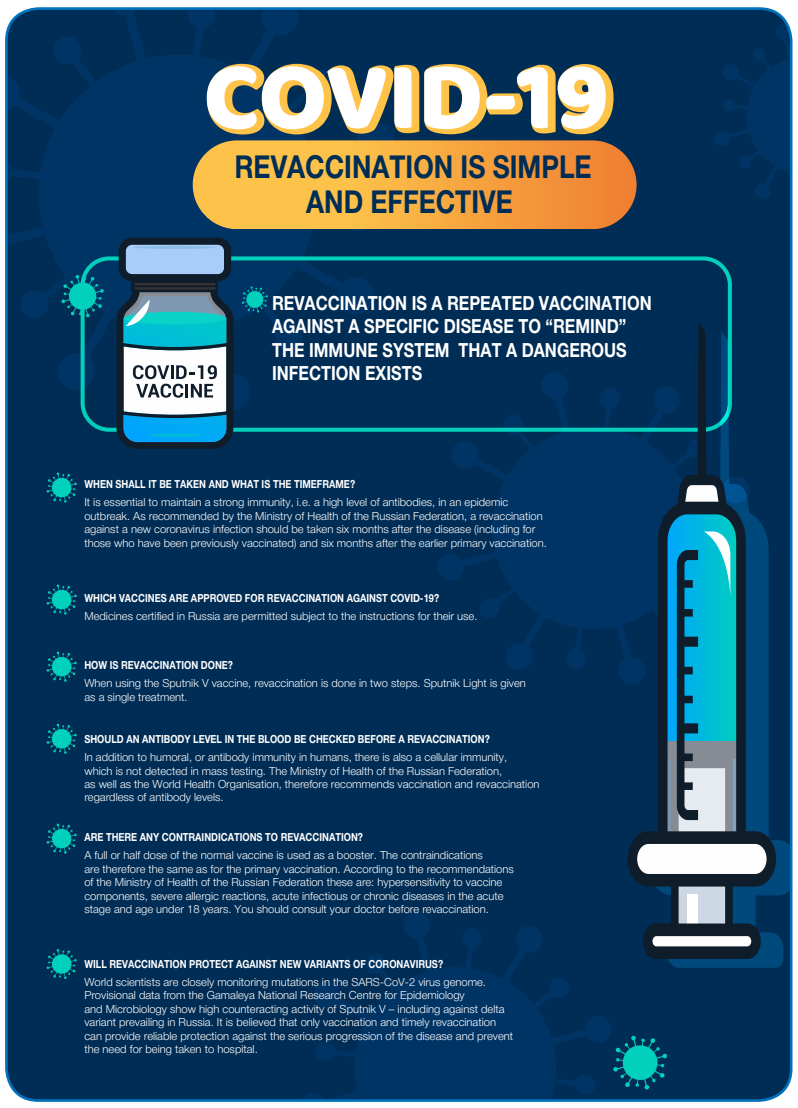
Which of them to choose for re-vaccination? This is entirely up to you – they all are safe. Nothing is wrong with choosing a different version, but Sputnik V has the most transparent statistics to date.

As for COVID-19 mutation and effectiveness of existing vaccines, this topic, in my opinion, has been receiving a little too much coverage. People seem to overreact to the appearance of new strains often forgetting that the same old influenza virus behaves exactly the same in terms of its genome change. Every year, the World Health Organisation develops recommendations for vaccination against influenza for each hemisphere. I think, the same tactics will be adopted for coronavirus as well. Besides, we have been receiving good news from the academic community on the effectiveness of Russian vaccines against new strains including omicron.

And, of course, we should not forget about the robust protective effect of healthy lifestyle and positive outlook. Combined with specific preventive measures, they help people, even when faced with mutated COVID-19, to avoid severe complications and recover with minimal losses.

** As of the date of make-up of the February issue of Vesti.*

■ Interview by Pavel Ryabchikov



charity

Good Begets Good

The traditional New Year Miracles charity campaign made the New Year wishes of young dreamers come true, rekindling the flame of hope in their hearts. This time, the annual initiative was implemented with the participation of the Joy of Life foundation, whose mission is to help people who have found themselves in difficult life situations.

IS IT EASY TO BE YOUNG?

The lists of children, provided by the foundation, with the indication of misfortunes that befell them – burnt homes, orphanages, rehabilitation centres, serious illnesses – cut like a knife. To imagine that all of this happened to young children, who need so much to feel happy and loved! Even though the hardships they had faced have made them different from children with happy family backgrounds, they write the same letters to Father Frost like everyone else, asking for gifts such as a doll with hair, a Lego set, a battery-powered robot.

The dreams of some of the boys and girls were more difficult to grant, so the participants in the campaign had to show not only responsiveness, but also logistics skills. For example, it turned out there were no sand drawing tables on sale on the island, but a wish is a wish, and it has to be granted. Volunteers found a way to do it: they turned to their colleagues who were on a business trip for help. A sandbox was purchased and sent to Sakhalin. The company's employees made every effort to ensure that Father Frost brought the gifts in his sleigh that 94 children, including those attending the Mayachok and Preodoleniye Social Rehabilitation Centres, dreamt of.

Olga Tolkacheva, Director of the Joy of Life foundation: "The latest campaign was the most large-scale in the history of our organisation. At the initiative of Sakhalin Energy, we created – for the first time – a New Year fairy tale for two categories of wards. Not a single child was left without a gift. I believe that everything in life is based on the boomerang principle: good begets good. A good deed will certainly come back to the one who did it, multiplied by children's joy."

This happens every year, and every year we rejoice in the good deeds of our colleagues. In addition to searching for the right presents, they willingly responded to the request to act as Father Frost and Snow Maiden when delivering New Year's surprise gifts to the children's homes. It goes without saying that the volunteers wore medical masks and had been previously tested for COVID-19.

One of the most memorable events of the charity campaign was the open-air children's party in the botanical garden, which had been turned into the residence of Father Frost for the day. The children were met by fairy-tale heroes by a majestic spruce. The day before, volunteers helped to clear the paths and the glade so that the actors and children could stage a New Year fairy play. The children were handed in the gifts of their dreams and had great fun during an entertainment programme with games, hot tea and sweet treats.

IS IT EASY TO BE ELDERLY?

In the late 1980s, the world saw the release of Is It Easy to Be Young? – a documentary film by the Latvian director Juris Podnieks. It is about the problems of young people at the beginning of the era called "perestroika" – their conflicts with parents and society, their efforts to find their identity and the meaning of life, their dreams and aspirations.

The film caused controversy in society, and the expression "Is it easy to be young?" became a catchphrase. And yet there is the other side of the coin. Why not look at it? This is exactly what Sakhalin Energy employees did: they chose another beneficiary group for the New Year Miracles campaign – senior citizens, who also needed a helping hand. After all, elderly people face a lot of hardships, especially if they live alone in the twilight years of their life.

Thanks to the company's kind-hearted employees, more than a hundred elderly people received gifts for the New Year. To make this possible, the Sakhalin Energy team had raised almost 280,000 roubles. According to the rules of the Hurry Up For Good Deeds corporate programme (the New Year Miracles campaign is held within its framework), this amount was doubled by the company.

Sadly, the question "Is it easy to be elderly?" can hardly be answered in the affirmative. Nevertheless, thanks to good deeds and caring hearts, senior citizens can realise that they are not alone, that there are people who are ready to help them.

THE MAIN PRINCIPLES OF FATHER FROST

Dmitry Panteleev, Head of the Production Planning Division, has a considerable experience of acting as Father Frost. Dmitry has been actively participating in the New Year Miracles campaign since he joined Sakhalin Energy. He has been acting as the main winter magician for three years now. This year, Dmitry helped the wards of the Joy of Life foundation to believe in miracles.

As befits his character, who, according to legend, lives among the eternal snows and icy cliffs and turns on the northern lights at his leisure, Dmitry is laconic. And yet, he helped us formulate the main principles that Father Frost is guided by.

Father Frost loves giving gifts more than receiving them, because doing good always feels good.

He has to be resourceful and find ways out of difficult situations. For example, when Dmitry's youngest son was 12 years old, it happened so that Father Frost and Snow Maiden did not come to their home to give the boy New Year gifts. The parents decided to dress as these fairy-tale characters, but seeing his mother in the role of Snow Maiden, the child got upset – despite his "respectable" age, he still believed in fairy tales. Dmitry and his wife promptly made up an excuse: the real Snow Maiden had been delayed by bad weather and asked his mother to cover for her.

You can write a letter to Father Frost and ask him to fulfil your New Year wish no matter how old you are. Dmitry's sons are 21 and 16 years old, respectively, but they never miss the opportunity and always write letters to Father Frost before the holiday. Well, now they add addresses of stores or delivery sites to make the task easier for their parents.

Finally, the main principle of Father Frost: you just need to be Father Frost, then everything else will work out just fine.

Sakhalin Energy has provided the Raduga Boarding School in Smirnykh with new equipment. The innovative interactive sandbox has been purchased under the Hurry Up For Good Deeds Programme.

Evgenia Diamantidi, Lead Specialist of the Social Performance Subdivision, explains that the funds for its purchase were raised last year during a charity event dedicated to the company's anniversary. Employees of all company units, including remote facilities, donated to the good cause. And following the terms of the Hurry Up For Good Deeds Programme, the company doubled the total sum of donations. The beneficiary was chosen together with the partner of the event – the New Generation charity fund, which supports institutions that help socially vulnerable groups of the population, the Raduga Boarding School being one of such institutions. The school is attended by orphans and children left without parental care.

"Our present is much more than just a toy – it is a unique system based on augmented reality technology. It turns ordinary sand into a magical universe that will interest a child of any age. It enables a completely new, unusual and, at the same time, easy-to-understand presentation of educational material, which will be of great help in teaching children with special needs. We are happy that despite the challenging times our colleagues keep showing their kindness, they are full of optimism, and eager to make a difference in the world," added Evgenia Diamantidi.

The main value of the interactive sandbox is that it performs the function of a diagnostic tool: a specialist can make a psychological portrait after a 15–20 minute observation of a boy or a girl playing with it. This helps to save precious time when defining the main areas for individual work with children. In addition, special training equipment makes it possible to simultaneously activate all five senses of the children and use sand therapy to develop their imagination and natural abilities.

"Children see picturesque landscapes, which they can 'reshape' with the touch of their hands in an instant: change the season, find themselves on another planet, or create an entire new continent. When children find themselves in such conditions, it feels like magic to them. All their senses are focused on the perception of new information, which creates an interest

in learning. Today, there are 23 children of different ages in our boarding school – from toddlers to teenagers, who will soon start living an independent life. By influencing the children's emotions, we create prerequisites for their successful social adaptation" said Irina Beloborodova, Headmistress of the Raduga Boarding School.

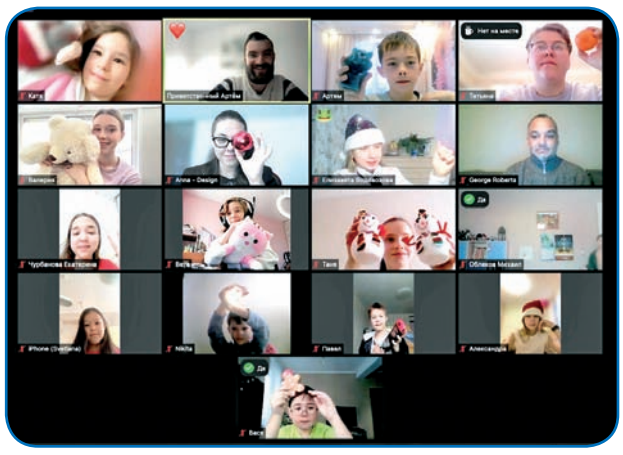
■ The page is prepared by Elena Gurshal, Marina Semitko

our children

Fun Factory

Let us let you in on a secret: the Social Benefits and Guarantees Section and the corporate Children's Centre are working on a project to expand the seasonal boundaries of the Happy Holidays programme. Now, the programme will cover not only summer vacations, but all school vacations throughout the year. Irina Nemykina, Chief Specialist of the Sakhalin Energy Social Benefits and Guarantees Section, and Artem Sanin, responsible for the content part of the Happy Holidays programme, will tell us about it in more detail.

The pandemic has forced us to consider opportunities of holding various events online. In the difficult epidemic situation, which either became less dramatic or reached yet another peak, we gained experience and learnt how to use available opportunities to help children and their parents.



But "experience, the hard-born child of error" must be applied and developed all the time. This is why we decided to do our bit and make the New Year school vacations more exciting and entertaining. For this purpose, we created the Magic Factory, which worked online all day on 5 January.

The first item on the schedule of events was the Media Department. Boys and girls learnt how to fill Instagram feed and design an account bio. As a result, the young correspondents posted their work – texts, videos (which, by the way, turned out to be very interesting and informative) – on the Padlet online board.

The next location was the Taste Workshop. Here, the participants tried their hand at being chefs of no other but a Michelin Star restaurant. Not only did they cook dishes from New Year holidays leftovers, but also invented new flavour combinations. You can't imagine the combinations they used: pear and cinnamon, cheese and jam, bread and sugar... Young "process engineers" did a great job adding their dishes to the Taste Workshop menu.

So, is it "we have eaten, so now let us get some sleep"? No, the suggestion is wrong. We have eaten, so now let us go and play! In this workshop, children came up with ideas for new games, using materials they had at hand, because they were bored with all the familiar games they had played over the holidays. There was the Design Workshop, where boys and girls created New Year decorations.

The exciting online marathon finished with a gala concert. The participants did their best to stage a fabulous New Year fairy show: they prepared programme items with the help of the Magic Factory masters. The show was varied and memorable. The audience greatly enjoyed the performance with make-shift percussion instruments (pots and spoons) to the music of QUEEN. The dancing and singing penguins left the audience no less delighted. During the intellect show, which required psychic abilities of the participants, the latter had to examine a drawing and guess the person's favourite colours and genre of music.

It is hard to imagine how many interesting and useful things can be done in just one day! In the new reality, the distance format of learning, development and gaining new experience has become especially relevant. It has an additional advantage – the opportunity to "connect" craftsmen and specialists from different regions of Russia and abroad. For instance, Mr. George, an expert of the Magic Factory, gave his advice from as far as the UK.

The teachers of the corporate Children's Centre are searching for interesting forms of organising developmental events in the online space. And they succeed in what they are doing! So what did our factory produce? We can answer this question without hesitation: pleasure and joy from joint creative work, and lots of fun! This gives us reasons to believe that the initiative will continue.

bookshelf

Reading Pages of the Calendar

"Why don't we make a calendar in the form of a tear-off diary?" This idea had been floating around in the Corporate Affairs Department for several years, until last year we finally decided to go big and put it into execution. And we did it!

Sakhalin Energy's trip down memory lane was not easy, but it is definitely worth it. To make everything work, it was necessary to tie a significant event to each date plus find a link to the company's history, and do it 365 times! If you think it's not a big deal, try and find something in common between the issue of Karl Marx's Capital and the company, or establish a cause-effect relationship between the birthday of the British chemist James Dewar and the Sakhalin-2 project.

Or imagine this: you have finished compiling the content for a month, and then it turns out that the dates do not match, so you are back to square one. Once again you go to Google or Yandex and start searching through the lists of significant dates. And think about what the artists had to go through. How much imagination it took them to illustrate the corporate tear-off! First, they had to come up with the pictures for each page, and then they had to draw all these pictures by hand.

Happily, the tear-off calendar was eventually ready despite all challenges. It is undoubtedly the result of joint efforts. We would like to thank our Human Resources Directorate specialists, lawyers, production workers, environmentalists, geologists... Seriously, I can't think of a unit in the company that did not take part in this project. Our colleagues from across the company clarified numerous facts and details, suggested dates, corrected inaccuracies in the wording. Thanks a lot to everyone! Without your support, the tear-off calendar would hardly have turned out to be so fun and interesting.

The calendar can be an excellent souvenir for your business partners. To get a copy, please contact the Corporate Affairs Department.

As for us, we will "tear off" and read the pages in the up-to-date online format: every working day, you will see a new calendar page on the news screen. For this, check the daily news page via the banner on the Intranet home page.

■ Elena Gurshal

sport

Together We Win

The Sakhalin Energy team has ranked third in the Spartakiad among the work teams of Yuzhno-Sakhalinsk. Our colleagues passed seven stages of the sport event throughout 2021. The team's captain Vadim Borisov comments on the overall result.

– I believe that participation of our team members in all events of the Spartakiad is a great achievement. This distinguished our athletes from the other competitors. We had plenty of opportunities to show our skills and endurance in swimming, shooting from an air rifle, the Ready for Work and Defence programme, mini-football, a track and field relay race, table tennis, and badminton. Despite the multi-skill talents of Sakhalin Energy team members, there are so-called "trusted players" among us who we especially relied on in certain events.

I must admit that it is up to each sportsman to decide how to prepare for competitions. Happily, we have no difficulty in this aspect: the company's sports facilities and numerous sports clubs are at our disposal. For example, some of our colleagues regularly play table tennis in their free time. This helped us achieve absolute success in the matches against our rivals. Our badminton players were also among the top competitors.

It is more difficult to find team members, because often amateur athletes keep their talents to themselves, and we simply do not know about them. It takes us the most effort to find runners who could decently compete in athletics. This year, we needed 12 people for the track and field relay race. Moreover, the Spartakiad regulations dictate certain conditions. Sakhalin Energy has many young specialists who have recently joined the company. Even though they are capable sportsmen, they could not represent our team in these particular competitions, since they had been hired less than a year ago. Therefore, oddly enough, "running in turn and chasing" (Vadim smiles) proved to be the most challenging event for us. Nevertheless, we coped with it very well and won a bronze medal.

Now the corporate sports team consists of 50 people from different directorates. Let me take this opportunity and encourage our colleagues who would like to join our team, but have not yet done so: please do not hesitate to contact me. Don't be scared of physical exertion. The first thing we need to do is to prepare mentally, and we definitely can do it together, as a team!

Just like we did at the regional stage of the All-Russian Ready for Work and Defence Festival of Physical Culture and Sports, where we won the right to participate in the federal stage to be held in May this year. Last year, we participated in it without thinking much, it was at the same time as the Spartakiad. We showed the best results in individual and team events in e-shooting, push-ups, flexibility, abs, and two– and three-kilometre races.

It took literally a week to get a corporate team of eight together. Moreover, we ensured that four age categories were represented in its composition, as required. The list of qualifying standards for each group was the same, considering the acceptable level of physical activity for all participants. However, the older generation had a chance to make a greater contribution to the overall team score as they got a higher score

Winners of the table tennis competition Andrey Mikhin and Andrey Sviridov

Participants in the regional phase festival "Ready for Labour and Defence. From left to right: Vitaly Pachin, Anton Shapiro, Valeria Kukhareva, Anna Saladina, Yevgeny Mikhailuta, Yulia Zinovyeva, Gulnara Astafieva and Konstantin Kokorin (in the foreground)

for successful reaching of the standards. Among them was Konstantin Kokorin, our colleague, a runner for a gold Ready for Work and Defence badge and a great role model for the young. By the way, Anton Shapiro, one of the leaders of our team, has also received such a badge. Let me congratulate Anton on his achievement and his family, too – they all have excelled in family competitions many times.

The Russian level of the Ready for Work and Defence competitions is very high. To show decent results, we are trying to keep up the pace and strictly observe the rules of sports discipline. And, of course, we take good care of our health!

■ Recorded by Alla Priimich

«Сахалин Энерджи Инвестмент Компани Лтд.»
Адрес: ул. Дзержинского, 35, Южно-Сахалинск, 693020, Россия
Телефон + 7 (4242) 66 2000
E-mail: ea@sakhalinenergy.ru
Сайт: www.sakhalinenergy.ru

Представительство в Москве:
Новинский б-р, 31, Москва, Россия, 123242
Телефон +7 (495) 956 1750

Верстка и печать: ОАО «Сахалинская областная типография»