Highest class A1
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Anti-Corruption Rating

VESTI

Sakhalin Energy

AUGUST 2022

Dear colleagues,

Sakhalin Energy has completed a pit stop of integrated gas chain facilities. The Sakhalin-2 project team has been able to implement the summer repair campaign safely, effectively, and on schedule, meeting all its objectives in terms of enhancing equipment reliability. For the first time, all the pit stop tasks have been carried out by Russian specialists.

In the current situation, timely adaptation to the rapidly changing external environment is key to the success of any venture, and Sakhalin Energy is a clear case in point. Despite the unprecedented restrictions imposed on the Russian Federation, the Company managed to quickly adjust the pit stop work plan, procure the necessary materials and equipment, train new employees, and fulfil all its maintenance obligations.

I would like to extend my thanks to all the staff who have been involved in the 2022 pit stop activities. When faced with new challenges, you have been required to act with determination, cohesion, and speed. This is exactly what you have done: by working in a focused, competent, and speedy manner, you have once again proven that our Company is a team of like-minded individuals with unique expertise, who can actually manage and tackle all sorts of uncertainties.

By establishing a Uniform Integration Centre, Sakhalin Energy is now taking yet another step towards business process continuity. This brand new corporate tool relying on expert, analytical and engineering areas of expertise will improve the accuracy of assessing equipment's remaining service life and enable timely replacement and diagnostics thereof. Such a proactive approach will contribute to the success of the new preventive maintenance management system that will involve a transition to a four-year maintenance and repair cycle.

I am convinced that the top quality of our work and the consistently high levels of safety and stability of our business processes give us every reason to look ahead with confidence, successfully shaping the corporate horizon of the future.

Roman Dashkov
Chief Executive Office

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Read in the issue

More than 388 000 man-hours
worked during the pit stop – 2022

Read more on page 4

CURRENT EVENTS

2 July
Company employees took part in Green Energy eco-campaign to support Sakhalin Botanical Garden

7 July
Roman Dashkov together with CED members and Heads of Directorates, held a communication staff session

7–8 July
Yuriy Trutnev, RF Deputy Prime Minister – Presidential Plenipotentiary Envoy to the Far Eastern Federal District, paid a working visit to Sakhalin Oblast

10 July
Sakhalin Energy has completed a pit stop of the integrated gas chain facilities

30 July
Company's participation in the Clean Games eco-campaign together with Gorny Vozdukh Ski Resort within the project "My contribution to the development of the Island"

A Staff Communication Session

A staff communication session took place at Sakhalin Energy on 7 July 2022.

When speaking about the Company's operations under external economic constraints, Chief Executive Officer Roman Dashkov emphasised that the Business Continuity Task Force keeps monitoring changes of the current situation in detail on a daily basis and working proactively to ensure Sakhalin Energy's sustainability.

The key message was the new Presidential Decree to further improve and develop the Sakhalin-2 project. Commenting on the document, the CEO noted that development of Sakhalin Energy's business in Russian jurisdiction and a potential share reorganisation create new opportunities for the Company's future operations.

"We will make all necessary efforts to keep the employee value proposition package and supportive environment for the Sakhalin Energy's employees. The mirror structure will reflect all of the Company's functions, rights and obligations to the employees. We cannot ignore the fact that it will be formed taking into account Russian regulations, so we will promptly make targeted decisions aimed at mitigating risks and taking advantage of new opportunities," said Roman Dashkov.

He emphasised that, for the time being, the Company's decision-making scope remains the same: "Above all, we must focus on issues pertaining to ensuring current sustainable production, cash flow and liquidity, while meeting all our obligations".

The CEO's views are completely shared by the other members of the Committee of Executive Directors and Heads of Directorates. Alexander Sheykin, HR Director, reported that the HR Directorate would make every effort to ensure that employees' daily operations are not affected during the transition to the new company. Andrey Okhotkin, Commercial Director, expressed confidence that there are viable and timely solutions for the sale and delivery of hydrocarbons to buyers. Timur Gafarov, Technical Director, said that the Company's level of responsibility in the area of safety and operational reliability remains high, making it possible to proceed successfully with the project for the benefit of people and the country.

This will be fully supported by the creation of the Company's Unified

director's column

Integration Centre. "A fundamentally new corporate tool will be the key to continued sustainable operation regardless of any circumstances, – stressed Roman Dashkov. Based on the collected data, it will analyse and develop predictive measures to prevent equipment failure. An adequate assessment of its residual resource will allow us to carry out both technical measures and equipment replacement in a timely manner, which will increase the level of accident-free production".

"Today, all work on reliable and safe operation of the assets is carried out by the Company without involvement of foreign specialists," – said Alexander Singurov, Head of Production Directorate. "We are fully fulfilling all our maintenance obligations and implementing projects in accordance with previously planned plans and strategies".

Roman Dashkov thanked the staff for highly professional work in difficult conditions. "We were not mistaken when we identified the key theme for the Journey Book as New Horizons. It is this approach that provides a qualitative basis for solving our priority task – the long-term development of the Company. I am sure we will keep moving forward and look in the same direction as one team" – CEO summed up the session.

During the session, everyone had the opportunity to ask the Chief Executive Officer a question and get an answer. Employees, who have any questions about current Company's activities, are welcome to contact the 24-hour hotline by calling +7 914 759 4711.

Compliance with Life-Saving Rules is the Basis for Zero Injuries

A regular meeting of the HSE Management Committee was held in July, chaired by Chief Executive Officer Roman Dashkov.

The CEO highlighted that managers should be personally involved in creating a safe working environment and that recommendations from the HSE leadership site visits should be analysed and complied with. "Our task is to get into details of the process and have the risks mitigated at all stages. This requires taking special control over the quality of personnel training when the specifics and requirements of the work change, and making it clear to every site specialist that compliance with the Company's Life Saving Rules is core to zero injuries. To use them effectively, they need to be updated to reflect the Company's current activities, objectives and external challenges," Roman Dashkov said to the Committee members.

Evgeny Kovalyov, HSE General Manager, noted the positive trends in his area of activity. He presented HSE scorecard performance and reported on the Company's incident rate reduction.

Alexander Sheykin, HR Director, reported a progressive Golden Person performance improvement, which stood at 89% as of the early July (against a target of 90%). The overall compliance with RF mandatory training and certification has grown to 95% (against a target of 100%).

Alexander Singurov, Head of Production Directorate, highlighted that Sakhalin Energy is capable to perform scheduled maintenance activities in the mid-term. All this is effectively supported by the Company's Unified Integration Centre, which is being created to deliver 3 main operating components to maintain production continuity and reliability. These include OEM spare part procurement (licensing), search for analogues in Russia (reverse engineering) and upgrade of equipment.

Roman Sinitsky, Head of Finance Directorate, stressed the importance of a corporate identity, which should be communicated to all new contractors as part of the effort to search for Russian analogues.

Igor Abramov, Chief Compliance Engineer, noted that maintaining safe

Roman Dashkov

Alexander Singurov

Alexander Sheykin

Igor Abramov

operations at Sakhalin Energy's assets is among the most essential elements of the Company's strategy. "We do everything we can to ensure that these objectives are met and that employees and equipment are safe. In this regard, we have introduced a multi-level production control by revising the Company's business processes to ensure strict compliance with Russian regulations on industrial and fire safety, environment and emergency response," Igor Abramov added.

"Our task is to concentrate on issues related to ensuring high-level, safe production. We are now on a positive trend towards an increased level of equipment reliability. This means that we were right when decided that the decision-making centre should always be in the Company. Today, it is our specialists who make the final decision, and this has already proven to be effective," Roman Dashkov concluded.

High-Level Visit

In July, Yuriy Trutnev, RF Deputy Prime Minister – Presidential Plenipotentiary Envoy to the Far Eastern Federal District, paid a working visit to Sakhalin Oblast.

The Deputy Prime Minister familiarised himself with the progress of social infrastructure construction and project implementation of the residents of the Sakhalin Territories of Advanced Socio-Economic Development, held a number of meetings, including those on the implementation of oil and gas projects.

"Sakhalin Oblast was ranked first in terms of budget sufficiency in the Far East. In addition, the region supported the development of a number of other territories of the Far East. The well-being of Sakhalin and its budget availability are in turn almost directly related to the implementation of projects in the oil and gas sector. They are Sakhalin-1, Sakhalin-2 and Sakhalin-3 projects," – said Yuriy Trutnev.

The Deputy Prime Minister instructed the Sakhalin Oblast leaders to attract new technologies for oil and gas and other industries. This task was given following the visit to construction sites in the north of Yuzhno-Sakhalinsk, where Sakhalin Industrial Park is being built.

The project is aimed at creating a modern maintenance and repair facility integrated with the processes of the main oil and gas project operators of the island. The main objectives of the Industrial Park are import substitution and increasing the share of services localisation for offshore and other full-cycle oil and gas projects on Sakhalin (most of the services are performed outside Sakhalin Oblast making operations more expensive). Conditions will also be created for advanced training of specialists in oil and gas production and maintenance of the gas transportation system.

"This asset is now becoming especially relevant, since some foreign participants are leaving the projects with Russian and foreign partners taking their place. Today, we have over ten residents of the oil and gas park, and new capacities will be introduced in the next two or three years," – said Valery Limarenko, Governor of Sakhalin Oblast.

According to Valery Limarenko, office and laboratory buildings, workshops and warehouses with a total area of about 89 thousand square metres will be built in industrial park. The area is divided into 15 land plots, each of which will have its utilities (water, water disposal, gas, electricity). The first stage of the industrial park should be handed over in the fourth quarter of 2022.

Yuriy Trutnev pointed out it was necessary to localise enterprises in Sakhalin Industrial Park that would develop new technology for the oil and gas industry.

As Valery Limarenko explained, the development and implementation of new technology will be supported by the SakhalinTech consortium. It will become an advanced scientific centre where basic disciplines will be related to oil and gas and offshore topics. "Oil and gas companies intend to deploy their laboratories here. We also contacted the institutes of the Russian Academy of Sciences where such technology is being developed," – he said.

"We need to develop our industry. Russia is a land of creative talents. We should shape all necessary conditions for their work," – said Yuriy Trutnev and reminded the Sakhalin Oblast leaders that additional tools had been created for the Far East. For example, the Voskhod venture fund was established to support innovative assets. These tools should be used to increase the number of modern assets.

"We need to set more ambitious tasks, which are not about catching up, but about overtaking and being the first," – concluded the Deputy Prime Minister.

■ Marina Semitko

visit

Sustainability in the focus of attention

Sergey Menshikov, Management Board Member, Head of Gazprom Department, visited the Sakhalin Oblast. Together with Roman Dashkov, Chief Executive Officer of Sakhalin Energy, visited the Company's northernmost onshore facility – Onshore processing facility (OPF) production facility with a special focus on the OPFC project status.

Valery Guryanov, General Director of Gazprom Dobycha Shelf Yuzhno-Sakhalinsk, Alexander Singurov, Head of Production Directorate of Sakhalin Energy, Denis Smirnov, Deputy Head of Production Directorate – Operations, Andrey Zaitsev, Deputy Head of the Production Directorate – Projects, Alexander Tislenko, Head of Moscow representative office, Hikmet Islamov, OPF Installation Manager and Alexander Kiselev, Head of Analytics Subdivision accompanied Sergey Menshikov during the visit.

Sergey Menshikov visited the OPF and OPF-C to monitor the progress of the OPF-C construction and to ensure sustainable production under economic constraints.He mentioned that it is important that employees of the operating company — Gazprom Transgaz Tomsk are currently working on site checking the quality of flange connections, accuracy of signals passing through various systems, reviewing the technical documentation and taking part in preparing the gas-compressor units for further technical activities. This approach will ensure a smooth transition from the OPFC commissioning to operation phase.

Roman Dashkov clarified that cooperation between the contractor (Velesstroy) and the operating company will continue even after the OPFC start-up: "It has been agreed to have the contractor's duty team on site to monitor production systems and to troubleshoot potential failures during the integrated testing and start-up phase."

Sergey Menshikov stated that in current situation Sakhalin Energy has proved its capability to address the urgent issues successfully. The competent and timely decisions taken by the Company management allowed to ensure availability of all required materials and equipment at the OPFC and to retain Russian specialists.

■ Pavel Ryabchikov

Leaders on a Visit to Leaders

A delegation of graduates of the Skolkovo Innovation Centre and the Leaders of Russia project paid a familiarisation visit to the Prigorodnoye production complex. They are all part of the country's talent pool.

This is with great pride that our colleagues – Ivan Shamonaev, Head of Maintenance at the Prigorodnoye production complex, and Taras Glazunov, Process Engineering/ Process Control Manager – told the guests about the Sakhalin-2 project and Russia's first LNG plant. The visiting group was just as eager to find out details and asked many questions.

Sergei Gradirovsky, Academic Director of Educational Programmes at the Skolkovo Moscow School of Management, shared his impressions after a bus tour of the asset: "Looking at this feat of engineering, you never cease to be amazed at the vast number of elements the facility is made up of while being virtually unmanned. I was impressed with the level of safety on the asset.

Another member of the delegation, Marat Milyukov, who has experience both with businesses and with public authorities, including as Deputy Prime Minister of the Republic of Bashkortostan, said: "I believe that, in our country, this is among the very first technology projects with a unique organisational scheme. What's most important to me personally is the absence of clutter and the respect for the environment." Maria Yeremenko, a high-school graduate from Moscow, summed things up: "Such visits may come in especially handy for schoolchildren as an opportunity to learn about areas they have no clear idea about and, perhaps, to find out about the alternatives that will be available to them when it comes to making career choices."

At the end of the visit, the guests were photographed with the staff in front of the LNG plant and wished them to keep up the good work.

■ Roman Dikov

Turnaround: frame-by-frame

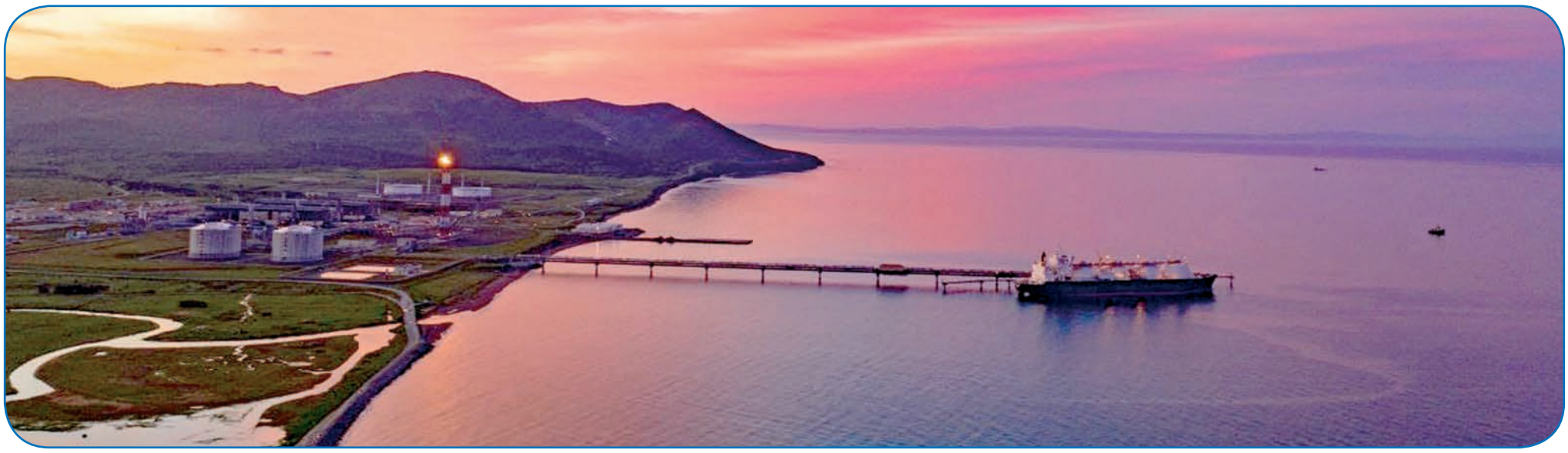
Sakhalin Energy has successfully completed a planned turnaround of the integrated gas chain facilities, or pit stop as it is more commonly known within the Company. A closer look at the turnaround and the traditional pit stop, a technical stop during a race, will reveal certain features in common: short timeframes, precise teamwork and a desire to complete the job as safely, efficiently and quickly as possible. That was the case according to the results of the summer turnaround campaign at Sakhalin Energy.

PREPARATION IS THE KEY TO SUCCESS

The successful completion of the turnaround was certainly due to the substantial work that had been done to prepare for it. Apart from assessing the key risks, it has also focused on developing appropriate mitigating measures: establishing a single contractor database and making it up-to-date on a weekly basis, validating staff mobilisation requirements and agreeing on remote support options. The Company's management took the decision to strengthen control over spare parts and consumables consumption in the maintenance of production facilities, and alternative suppliers and delivery routes were identified. An entirely Russian team of specialists was formed to carry out the planned turnaround, which demonstrated a high level of expertise and completed all of the required tasks.

TURNAROUND IN FIGURES

- **1,781 people were involved (including all facility support staff);**
- **388,377 man-hours worked;**
- **830 flange connections serviced;**
- **147 quality inspections conducted;**
- **23 contractors involved.**



LINK BY LINK OPERATIONS

The LUN-A offshore platform is the first link in the integrated gas chain. According to Sergey Stepovikov, Offshore Installation Manager, the planned turnaround included a check of the export shut-off valves on multiphase lines, maintenance of uninterruptible power supplies and power distribution boards, and a number of other technical works on critical equipment. Meanwhile, the drilling process on the platform remained on track.

The key operation at the Onshore processing facility was the welding repair of the gas compressor pipeline section. "There were two repair methods to choose from – welding and deposition welding (the metal is welded onto the surface of the object). In the end, the decision was made to weld it with heat treatment and hydrotest the welded joints. The thorough preparation made it possible to carry out all the work without any defects," says Sergey Illarionov, a Category 1 Engineer of Shutdown Subdivision.

FOCUS ON PRIGORODNOYE PRODUCTION COMPLEX

The pit stop's technical challenges were most extensive at the Prigorodnoye production complex. The main focus of specialists here was on repairing Train 2 cryogenic heat exchangers, as well as checking the condition of the internal components of the mixed refrigerant gas turbine compressor on Train 1 and Train 2.

"In preparation for the heat exchanger repairs, we have trained our staff, held training sessions on a specially designed model pipeline and tube plate, delivered and tested materials and equipment, and prepared the worksite. By the start of the turnaround we had two teams of fitters and welders," says Andrey Kuznetsov, Category 1 Turnaround Engineer, Prigorodnoye production complex. – "During the repair itself, the employees had to use breathing apparatuses; technical manipulation inside the pipe space was done through a small window and they had to work with one hand. All of this required maximum concentration and endurance".

A CAUTIOUS APPROACH

"As part of the planned turnaround, the technical condition of the internal components of the hot and cold paths of the gas turbine compressors was checked. We opened up the shell and performed visual inspections and non-destructive tests," says Alexey Soshnikov, Head of LNG Rotating Equipment.

A particular focus was placed on checking condition of the compressor's stator blades. As the world's experience of operating similar equipment shows that a single blade deformation can cause the entire unit to break and stop. That's why the Company's staff carried out visual inspection using a special borescope as carefully as possible. The main conclusion was that no defects or abnormalities were found on the compressor.

"THE FIRST DROP" AHEAD OF SCHEDULE

As a result, all the planned turnaround operations were completed ahead of schedule. On 9 July, the trains were launched and on 10 July "the First Drop" of LNG was received.

"The challenges we have faced this year have caused serious changes to our plans, but we have not given up on them and have once again proved to be capable of responding effectively to all challenges. At the same time, such challenges are the best way to test strength and unity of the team, and the fact that we have succeeded speaks best of all about the great capability of the Sakhalin-2 project team, our ability to adapt to changing external environment and make decisions at the moment", Alexander Singurov, Head of Production Directorate, concluded the pit stop.

■ Pavel Ryabchikov

continuous improvement

Each Well Is Unique

Based on the results of the first round of the lean production competition, the project called Optimising Staff Engaged in Well Construction at Offshore Assets by Improving Competencies of Contractor Employees landed in the Top 3. More on the details of the project from the Acting Head of Lunskoye Drilling Subdivision Vladislav Stryapunin.

– Vladislav, I'm not a psychic, but I'm almost one hundred percent certain that the project came about due to COVID-19. Am I right?

– Yes, that's right. In March 2020, when the world suddenly changed, we had to postpone the construction of one of the wells. I'll try to recap the reasons briefly. Remember the Teremok fairy-tale? Well, a platform is also like a teremok – it can fit no more than 140 people at the same time. It definitely won't survive a "bear". Well drilling calls for engaging 55 people (in the context of the platform's full capacity, that's quite a large "beast"). And that's just one side of the problem.

Another one is the fact that well construction doesn't happen overnight – it's not like you can involve all 55 people and the well will magically be ready. On the contrary, it's more like a marathon. Drilling comprises many operations, during which contractors perform various tasks: drill the well, conduct geophysical surveys, lower and cement pipes, and so on. They pass the baton to each other.

– So it means that one team finishes its part of the "distance" and leaves the platform, and another continues the relay?

– Pretty much. In the pre-COVID times, a helicopter would come to the platform twice a week. Its schedule changed in light of the deteriorating epidemic: now crew change happens once in two weeks. Also, don't forget another detail: all employees coming to the asset have to quarantine for 14 days.

– Let's remind the readers that, to make things even more complicated, well construction is just one aspect of the life on the platform – hydrocarbon extraction and equipment maintenance are happening at the same time, all kinds of staff are involved.

– Normally, well construction takes four to five months. But in this new reality, it could have taken twice as long. Or alternatively, in order to meet the deadline, we would have had to keep at least 70 people on the platform simultaneously – however, other units would also have to bring in more employees to keep up with the work. In this situation, we had to either cancel the construction altogether, or find some other solution.

– And you did find it. Vladislav, unfortunately, the cat is out of the bag, as we mentioned the name of the project at the beginning of the article. So tell us how you did it.

– First of all, we had to ensure the safety of works and their top quality. Keeping these priorities in mind, we contacted all our contractors and asked them to reduce the number of employees on the platform. Our strategy was – no help too small. Some contractors could remove one specialist, some – up to four. There was no universal recipe. The first method was additional training, that is, people carried on with their responsibilities while undertaking other employees' functions. Of course, that increased the workload, but everyone knew that the alternative was postponing the construction indefinitely.

In order to tackle certain tasks, we installed additional equipment. One person was physically present on the platform, while two of their colleagues supported them round-the-clock in the office in Yuzhno-Sakhalinsk. To keep track of the time and place consistency, they monitored the entire process online, operating the platform equipment remotely.

– This sounds like something out of a sci-fi film.

– Actually, that is pretty common nowadays. We simply tested this method and proved that it can work. By the way, this all was possible thanks to our IT specialists – they organised the main and auxiliary communication channels. That was important because the employees in the office controlled the gas level in the drilling fluid, which is a major factor in the safety of the drilling. So, a loss of contact, even for a short time, could have led to a halt of the entire process.

– Did the contractors readily agree to re-training their staff and removing some employees?

– We were in the same boat and tried to choose its course together. Times changed, and approaches to problem solving had to change too.

– The lean production programme participants have three major goals in mind – saving time, applying best practices and introducing innovations to the industry, and saving costs. The first two are clear enough, but what about the third one?

– All of it can be converted into money. As estimated, we saved roughly 400 thousand dollars during the well construction simply by doing without mobilisation of high-salaried personnel. Potentially we also saved money by not stretching the construction time and commencing production sooner. But for our drilling department, the most important thing was proving that we can drill wells even in such conditions. We found the solution and were able to implement it.

– Going back to the name of our column, I want to emphasise the word "continuous". You have to move forward…

– My colleagues and I are engineers, and we are not interested in doing the same thing over and over again; that goes against the nature of our profession. Each well (for example, the longest one, or the one with extended reach, or the one that goes through complex faults to certain layers) is a new challenge. There are no two identical wells – each one is unique – and construction of each well comes with its own tasks that we need to solve. And we strive to do it professionally and precisely.

■ Interview by Elena Gurshal

DID YOU KNOW THAT…

Our first platform which has been successfully producing over 20 years at the Astokh area of Piltun-Astokhskoye field, has set a new record – 260 days of accident-free oil production and shipment. This means that during this period, the Molikpaq platform produces and ships oil 24 hours a day for 260 days without unplanned shutdowns.

This achievement is the result of years of continuous comprehensive work aimed at reducing the number of unplanned shutdowns, We wish the platform crew as well as all specialists who provide efficient and remote technical support, safe operations and good luck in achieving new goals!

russian content

Time of Opportunity

Vadim Legenkin, Head of Control and Automation Division, believes that in a situation where Western manufacturers and vendors are leaving Russia, domestic companies get extensive opportunities for growth.

– Last year, we observed a great leap of the Russian Content development in the Control and Automation category. Can we expect the same success in 2022?

– Indeed, in terms of actual costs, the indicator has increased by 10% as compared to the 2020 level. The process of searching for alternative models of equipment is now large-scale and consistent in nature, while earlier we used to respond mostly to individual requests. Import substitution is not a fast but stable process that is already under way. As an example: at the end of last year, we conducted research on the Russian Fire Safety equipment market. The pilot testing of such products has already commenced. We expect good results in 2022.

It is quite possible that after foreign companies have left Russia, a large range of equipment will still be manufactured thanks to the development of local enterprises, whose stands were presented at the Neftegas-2022 exhibition in Moscow. Those included RPE "Kuibyshev Telecom-Metrology LLC" (hereinafter referred to as KTM), "Prosoft Systems", "Energomash", RPE "TIK" (hereinafter referred to as TIK), and other manufacturers.

– Procurement of new equipment is not a fast process. What issues does your division face here?

– There are different issues, for example, those associated with receiving imported equipment that is already tested and ready for shipment, including equipment located in Russia. Our task is to receive it, replace it to ensure continuous operation of automated control systems and instrumentation. Or to look for alternatives and perform a fundamental upgrade of the production assets. But it takes a lot of time and significant costs.

Soon, the stocks of foreign equipment in Russian warehouses will run short, so it is vitally important to search for analogues. However, the Company cannot use them at the production assets without pilot testing. This is a job we have been doing for several years already.

– Is it related to assurance of reliable operation of control and automation systems? What tools are used to successful meet the challenge?

– The tool is the business process itself which includes development of programmes, technical audits, procurement materials from the manufacturer, pilot testing. This requires certain efforts on our part and full involvement of the Russian Content Development and Vendor Relationships.

The procedure of obtaining samples is slightly different from standard equipment purchases: we do not purchase instruments – the manufacturer provides them to us on certain terms. The problem is that plants have been overloaded with orders in recent months, however some manufacturers remain interested in testing and provide the service.

– How often those opportunities are resulted in successful projects?

– Quite often. A typical example is the replacement of flame detectors supplied by the German company Minimax. In early 2022, we completed pilot testing of alternative Russian detectors. It was a difficult and urgent operation to deliver on time the equipment to the Onshore Processing Facility from Kazan, from the Spetspribor enterprise which we had found as a result of the Russian market research. The test was successful, and we initiated the purchase of instruments for all four turbines at the OPF. It is worth mentioning that during the job our division was in close cooperation with the Fire Safety, Blow-out and Emergency Response Division, headed by Igor Abramov*, which was very important for the subsequent success.

As another example, the Russian company KTM should be mentioned. This is a whole story. In 2018, when there were difficulties with the procurement of Fluenta flare flowmeters, we approached KTM. After approval of the model in 2019, the flare flowmeter manufactured by the company was delivered to the OPF for subsequent testing in 2020. Despite the fact that the COVID-19 pandemic caused a shift in the original timeline and the equipment was installed only in 2021, the KTM100RUS flowmeter is now being successfully operated at the production asset. By the way, the manufacturer has already issued a new flowmeter model (with Russian hardware components). We plan to run a series of tests of the new version at the LUN-A gas production platform and, if successful, proceed with the tests at the Piltun-Astokhskoye-B platform.

– If I am not mistaken, the OPF dew point analysers replacement campaign has been the latest addition to the portfolio of successful projects.

– You are right, the campaign ended in early May this year. The error of foreign analysers installed at the OPF did not meet modern requirements, therefore, we were recommended to consider using domestic products instead manufactured by "Vympel" NPO. As a result, five analysers from different foreign manufacturers have been replaced with three Vympel dew point analysers (for both water and hydrocarbons) , which is already being successfully operated.

Another important step that should be mentioned is the replacement of original foreign valves. After all, shut-off and control valves are one of the critical categories of control and automation which is key for ensuring the reliability and safety of work processes. The example of "Yokogawa Electric Sakhalin" is quite demonstrative here: the company has entered into a partnership agreement with "Energomash", a manufacturer of shut-off and control valves with capacities in Russia. The partnership gives hope for localisation of available and reliable equipment in Russia.

– Taking into consideration this tendency, who needs better support today: localised companies or independent manufacturers?

– In my opinion, independent Russian manufacturers should take priority, because now we eye witness those foreign companies that have localised their capacities in Russia leaving the country. This causes damage to the business while it brings uncertainty and prevents the fulfilment of contractual obligations. As a result, we finally cooperate with a Russian vendor, but with certain delays. Therefore, such domestic manufacturers as KTM, Vympel, Energomash and others will be in focus of our attention.

– You were a member of the delegation at the Neftegas-2022 exhibition in Moscow. Has it been possible to expand the pool of contacts with new Russian enterprises ready to offer analogues of imported materials and service to maintain own and foreign equipment?

–I was pleased to see quite big number of Russian manufacturers of software and hardware for automatic control and vibration monitoring systems, as well as manufacturers of shut-off and control valves, compression fittings, and instrumentation. We have identified a few suitable Russian proposals and have already started negotiations with the companies.

– Do you believe that Russian enterprises are able to keep up with the times?

– It will become clear from our further work and an integrated approach: market research, search for alternative models, and integrated upgrade where there are no alternatives available.

Particularly as for fire safety systems, Russian manufacturers have not lost anything. Russia has a strong regulatory framework in this discipline, which has made it possible to maintain and develop the relevant production. Therefore, even after Western companies have left, we can plan the transition to domestic fire alarm systems.

– What expectations do you have for the development of the Russian control and automation equipment market?

– Some Russian companies have already seen a growth in the number of orders for analogues of foreign components. I expect that demand will only increase,and hope this will be an incentive to strengthen their production capacities. After all, this is a time of opportunity.

** Currently holds the position of Chief Compliance Engineer at Sakhalin Energy.*

*** The dew point is the temperature below which the water or hydrocarbon vapour in a volume of gas at a constant pressure will condense into liquid.*

■ Interview by Ekaterina Vlasova

Pioneering Experience, First-Hand

In the conditions of supply restrictions, the matter of searching for and selecting reliable domestic manufacturers and vendors becomes a pressing issue for the sustainable development of the Company. Vesti talked about it with Pavel Denshchikov, Head of Mechanical, Materials, and Integrity Division, and Maxim Makarov, Head of the Static Mechanical Equipment Subdivision.

– Maxim, last year you initiated a unique project aimed at developing corporate specifications for process pipelines – the so-called "Piping Classes" using Russian steel grades. How is the project going?

Maxim Makarov: "To date, we have successfully developed the first two specifications for 19-bar process pipelines for domestic carbon and stainless steel grades to be used in mildly aggressive environments (we have replaced foreign standards for pipes and pipeline fittings with domestic ones). In my opinion, this is the biggest achievement of last year. For the first time, we were able to create specifications for pipelines made of materials compliant with GOSTs instead of using solutions based on foreign standards.

This year, we plan on completing two more specifications – this time for pipelines in highly aggressive hydrogen sulphide-containing media with allowance for corrosive wear – and having control steel samples tested by Russian laboratories. We also intend to continue revising previous specifications to get shut-off valves and fasteners in line with GOSTs and taking into account the limitations on using ASME flanges and API valve face-to-face dimension.

The plans for 2023 include development of two specifications for 48-bar pipes for highly aggressive environments."

– Does this mean that upon completion of the project, the Company will be able to purchase certain part of pipelines from Russian manufacturers?

Pavel Denshchikov: "Developing pipeline specifications is just the tip of the iceberg. To fully transition to using Russian products, we will need to do a lot of work, starting from developing new welding technologies, their certification with the National Welding Inspection Agency, getting welders certified, and ending with searching for reliable suppliers and manufacturers, initial testing of their products, and building new procurement and logistics chains. That would entail active engagement of not only Sakhalin Energy specialists, but also those of contractors.

Since items produced using foreign standards are integral parts of the design documentation of our assets, we will need to find Russian enterprises willing to manufacture made-to-order products based on our requirements. The search has already been initiated, and I'm sure that, among other things, it will help to develop the export potential of domestic industry."

– As far as I know, extensive preparatory work has been conducted as part of an effort to pick import-substituting shut-off valves for onshore assets of the Company.

M. M.: "Yes, that's true. Together with the Russian design institute Gazproektengineering (GPE), we conducted an in-depth study of the domestic market and prepared updated technical specifications for designing, manufacturing, and testing valves. Last November, the Sakhalin Energy and GPE delegation presented the results of this work at a round table discussion of valve manufacturers, organised with the support of the Scientific and Industrial Valve Manufacturers Association.

"The next step involves building closer cooperation with manufacturers that have expressed interest and willingness to work together and adapt their products to Sakhalin Energy requirements. Right now, we continue to work with PTPA, Armalit, and Energomash plants in procuring non-standard items based on our specifications."

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– This year you're expanding the Russian Content development programme in the Mechanical Static Equipment category. What will you focus on here?

P. D.: "Starting with 2019, the import-substituting efforts have become systematic and programme-based in order to concentrate our time and effort on the areas that are the most beneficial for the Company. The creation of the programme was dictated primarily by the need to systematise the work that we had been carrying out since 2019 and to outline further development strategy.

We plan on approving a roadmap that would include information on not only the volumes and time frames of work performance and intended results but also the required resources. By that I mean engaging engineers, design organisations, testing centres, and concluding contracts for services and material supplies. As of today, the programme comprises over twenty different areas of work."

– What are you going to implement first?

M. M.: "This year we are working out the details of manufacturing and supplying domestic safety valves, plate heat exchangers, high– and low-pressure hoses, shut-off valves, pipes and pipeline fittings, and spiral wound gaskets directly with the manufacturing plants. Last year, we conducted marketing research in the first three areas with the support of the Russian Content Development and Vendor Relations Subdivision.

In terms of new areas, I would name diagnostics, maintenance, and repair of bundles of shell-and-tube heat exchangers and shut-off valves, anti-corrosion coating for internal surfaces of pipelines and equipment. The scope of the new valve procurement contract has been approved to start the tender process.

Right now, we are developing proposals on new marketing researches to the Russian Content Development and Vendor Relations Subdivision, as well as technical specifications for testing domestic materials and items.

When possible, we hope to join the Science and Technology Initiative Institute project aimed at developing new contemporary standards for manufacturing materials and equipment, as we were invited to do during the 2022 Oil and Gas Exhibition. The Institute was established by Russian oil and gas companies specifically for developing new standards and auditing manufacturers for compliance with these standards. Next, it is planned to agree the Institute's standards with GOST technical committees for subsequent issuing of new national standards.

So, my hope is to promote our standards at the national level to prompt others to comply with them. Long-term, this is going to save the resources we spend on searching and working with manufacturers to ensure best possible quality of their products."

– There is indeed much to be done. Will the Russian market be able to handle it? How would you rate its current potential?

P. D.: "Last year, we attended the St. Petersburg International Gas Forum, and to me the biggest surprise was the large number of Russian companies that worked on substituting import. Many of them have in-house engineering centres and design bureaus willing to work with customers' specifications.

Apart from that, my colleagues and I visited production sites of several leading domestic enterprises (Shlangenz, Armalit, Sealur, Energomash, Cryomash-BZ-KM), where we were shown full production cycles. We were impressed by how well the plants were equipped, with state-of-the-art machining fleet and integrated quality control systems at every step of the production process.

This experience gave us a better understanding of the import-substituting capabilities of domestic manufacturers and the potential of the Russian market in general. We saw for ourselves that there are reliable partners in Russia that we can work with – all we need to do is search for them the right way."

– Do you plan visiting production sites and specialised exhibitions this year too?

P. D.: "We have included visits to Russian manufacturers and participation in specialised events – exhibitions, forums, conferences – in the business travel plan for this year and regularly go to production facilities. When on a trip to some place, we also find other producers of static equipment in close geographic proximity.

I believe the importance of personal contact cannot be overrated. In my experience, the information provided on company websites, in their catalogues, or even in audit reports doesn't always paint the full picture. Visits to production sites give you a chance to see all the nuances and get the information first-hand, so to say. This allows you to make the most effective assessment and identify the most advanced and reliable manufacturers."

■ Interview by Virginia Lakomova

Gas Supplies and NGV Fuel Market: the Present and the Future

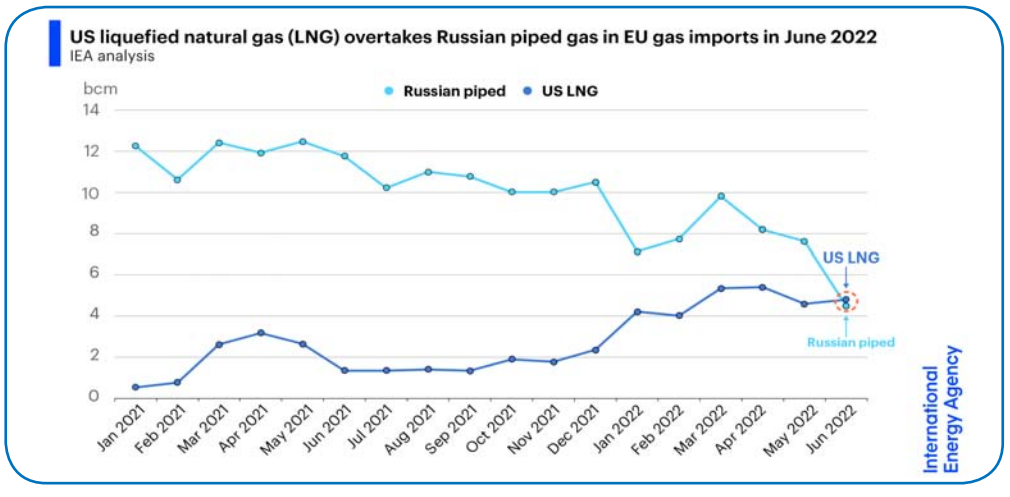
You can't stand still when the trouble is coming. To act, again, to act – that is the solution, especially when proper enforcement of the Russian energy market is concerned.

When the Russian Federation Government instructed that unfriendly countries pay for gas in rubles, six EU states refused to make their payments, namely, Poland, Bulgaria, Finland, the Netherlands, Denmark and partly Germany. Russia then introduced its retaliation: since middle May, export to Europe via the Yamal–Europe pipeline with a capacity of 32.9 billion cubic metres per annum was cut off. In parallel, the daily gas transit via the Ukrainian route was cut by more than two times as per the contractual obligations.

European consumers are in fact expecting the Russian content in the EU energy balance to drop, and the Russian gas export value is only to decline. From 11 June, Russia stopped to supply gas to the EU via Nord Stream, the key gas pipeline, with a capacity of 55 billion cubic metres per annum due to the turnaround, prior to that having curbed its flows because of an issue related to turbine repairs in Canada for the Portovaya compressor station.

Europe is seeking to partly replace the unavailable Russian gas volumes by LNG supplies from the US, with US having increased its export severalfold in less than a year. The volume of U.S. liquefied natural gas delivered to European countries has increased significantly compared to 2021. For example, Europe imported 1 billion cubic meters of LNG from the United States, while in January 2022, import volumes exceeded 4 billion cubic meters.

If nothing changes, the total drop in Russian gas export to the EU would be about 50 bln cubic metres per annum.



Within five months of 2022, the production of gas in Russia has decreased by 2.3%, or to 318.18 bln cubic metres, when compared to the same period in 2021. At the same time, supplies from the gas transportation system to the external market remained at the level of the previous year. Given the sanctions pressure from the West, the development of the domestic market and stable supplies within it are therefore the key tasks of the Russian energy industry. The main ways to encourage domestic natural gas demand in Russia are to develop the gas supply system and natural gas vehicle (NGV) fuel market.

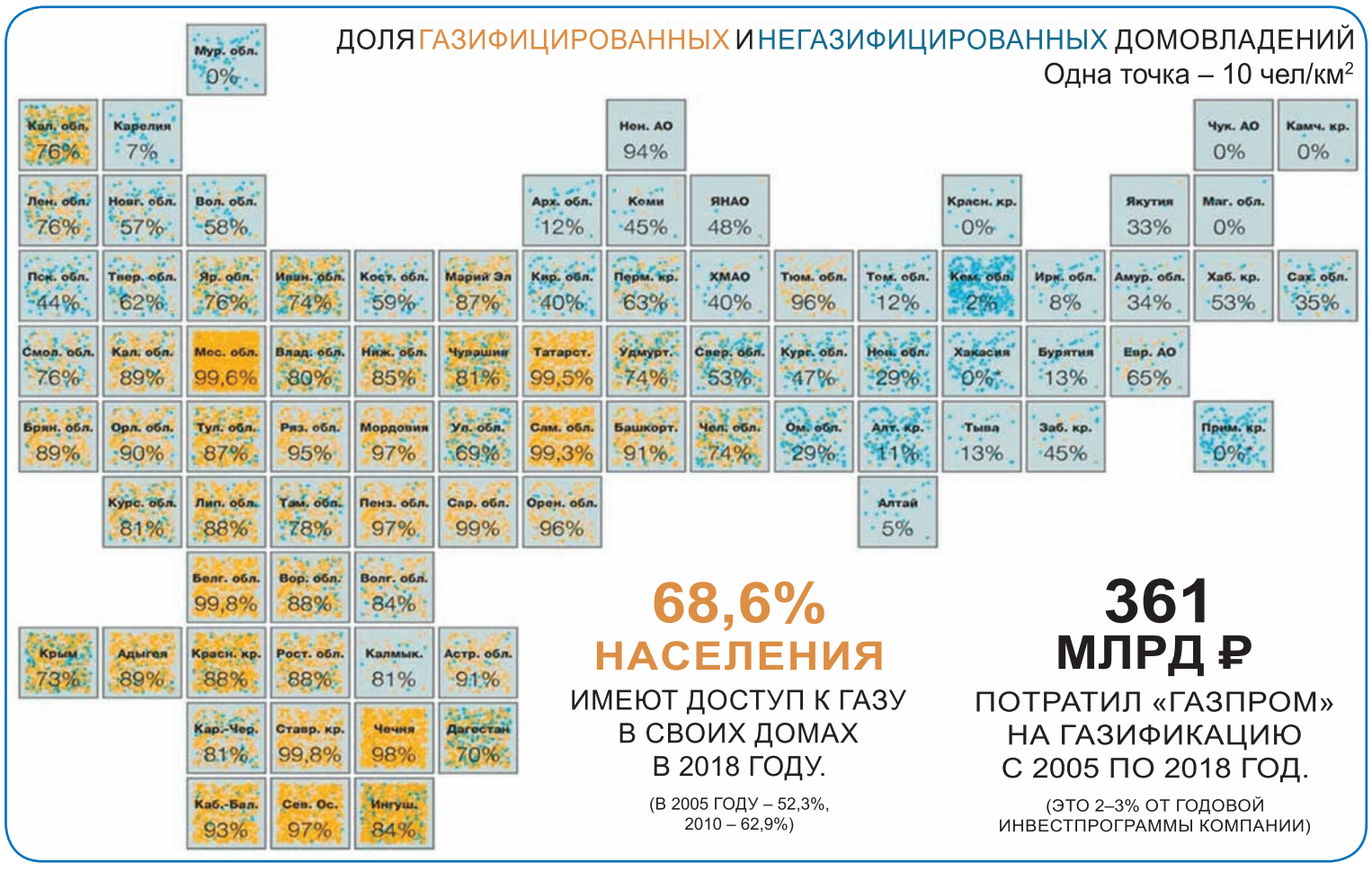
GASIFICATION DEVELOPMENT

Gas supply benefits the society, the state and companies. First, compared to other types of fuel used in Russia, gas is more environmentally friendly, cheaper and more convenient to use. Secondly, domestic gas supply does not depend on sanctions, and under the current conditions domestic consumption may be more stable than external consumption. Third, by developing gas supply, an infrastructure is created that provides, apart from improving the level and quality of life, multiplier effects in various areas of society life.

According to an estimate, the level of gasification in 2019 was 69%. In 2021, gas was supplied to 72% of Russian households. According to the regional gas supply roadmap signed by the RF Government, gas will be distributed to 10% more households by 2030 and will reach 82%.

Gas supplies in Russia are however extended unevenly. Russian regions can be here split into three groups: over 80%, between 30 and 80%, less than 30%. The Central, Southern, North Caucasian and Volga federal districts are in the first group. Chuvash Republic, Mordovia and Tatarstan have the receive the most proportion of gas, almost 100%.

The Siberian and Far Eastern federal districts are in the third group. Gas is almost unavailable in the Magadan, Amur Regions, Jewish Autonomous Region, Buryatia and Trans-Baikal Territory, and available to only 19.3% of population in the Far East.



45 to 78% of Northwestern, Southern and Ural federal districts are supplied with gas.

Uneven gas distribution of each region directly depends on the population density. In our country, at huge distances, the population density is low, with settlements being tens or hundreds of kilometres away from each other. It is expensive to supply gas to them, build all the necessary infrastructure, and the domestic gas price is low for the population. All activities turn out to be loss-making. Major industrial consumers and large cities have already received gas; further gas tie-ins are largely becoming a social load.

It is extremely ineffective to lay a pipeline to remote settlements with low population density; it is assumed that LNG will be supplied by road or rail. But even such technical solutions will not bring the country's gas supply level to 100%.

DEVELOPMENT OF NGV FUEL

As for the NGV fuel market, the government programme for the conversion of vehicles to natural gas, which has been actively promoted over the past few years, complies with the global ESG strategies and the decarbonisation trend.

The increased sanctions regime imposed by a number of Western countries stimulates the development of the Russian NGV fuel market. Over the past three years, the NGV fleet in the country has increased by almost 2.5 times – from 93K to 227K vehicles, the number of NGV stations has increased from 298 to more than 650, and sales of NGV fuel – from 560 million to 1.32 billion cubic metres per year. The volume of natural gas consumption in Russia is expected to increase in the coming years.

It is important to note that 2016 through 2020, the use of NGVs in Russia has caused the drop in greenhouse gas emissions by 7.27 million tonnes, and pollutants by 119.21 thousand tonnes.

An additional increase in grants from 2022 to 2024 for the construction of CNG*/LNG stations and the upgrade of equipment will help to increase the consumption of natural gas as motor fuel in Russia to 2.72 billion cubic metres, and the number of NGV stations to 1,273 units.

So, by stimulating domestic demand for natural gas in Russia through the development of gas supply system and the NGV fuel market by 2030 can lead to an increase in gas supplies to the domestic market of up to 70 billion cubic metres per year (in the best-case scenario). This will give an additional impetus to the development of the country's economy, increase the level and quality of life of the population, help to diversify the revenues of producer companies, and reduce the impact of external geopolitical and economic factors.

** Compressed natural gas.*

■ Maxim Bakulin

Finding a Key to Each Problem

The main objective of Sakhalin Energy's Production Chemistry Subdivision is to chemicalise production processes. Approaches and solutions proposed by the subdivision's specialists help the Company address challenges in oil, gas and water production, treatment and transportation by using chemical reagents. Elizaveta Sapronova, a young chemical engineer, explains how to choose the right "key" to solve multi-disciplinary problems.

– Anyone familiar with the oil and gas industry knows that hydrocarbon production is a complicated process involving different challenges. – Tell us more about it.

– The thing is that we do not produce chemically pure hydrocarbons (oil and gas). The produced fluids contain: oil with naphthenic acids, paraffins and asphaltenes, etc., water and salts dissolved in it, aggressive gases (hydrogen sulphide and carbon dioxide), bacteria, etc. In addition, gas hydrate plugs can form during gas extraction and transportation. And these are just some of the issues we face and address to prevent or mitigate their negative impact.

– You have mentioned gas hydrates, but, judging by the name, it is just gas and water, which is, in my non-professional opinion, quite a harmless mixture.

– These "harmless" water and gas molecules (which come from the well) bind together at high pressure and low temperatures to form white crystals looking like snow or ice. Such a problem may occur in the system of gas and condensate transportation from the Lunskoye – A platform (LUN-A) to the Onshore processing facility (OPF). As multiphase flow passes along the subsea section of the LUN-A – OPF pipeline, its temperature drops to the seabed temperature, with high pressure maintained in the system, which can potentially result in hydrate deposition and plugging of the line (gas hydrate plug formation) and subsequent reduction or shutdown of gas and gas condensate production.

– And how are you dealing with that?

– We pump in a hydrate inhibitor (mono-ethylene glycol or MEG), which absorbs water and thereby prevents gas (methane) molecules from binding to water molecules.

Together with the OPF Laboratory, we monitor MEG quality indicators (pH, salinity, concentration) circulating in the system and arrange for annual replenishment of glycol losses, purchasing fresh glycol (approximately 600 M3 per year) and delivering it to the OPF.

– I should have flipped through a chemistry textbook before this interview, but I hope you can help me and our readers understand these complex issues. So, what other obstacles does the Production Chemistry Subdivision help to overcome?

– We often have to deal with inorganic salt deposits. Initially, salt ions are dissolved in produced water and they precipitate in case of changes in temperature, pressure or water mixing. The issue may arise in production wells, where pressure changes dramatically as flow passes through the choke, also in the formation and downhole equipment, or in disposal wells when produced water is mixed with seawater. The internal diameter of pipelines may be significantly reduced due to salt deposits, resulting in high hydraulic losses or flow blockage. In addition, salts can deposit on pumps and valves, causing their failure, and accumulate as sludge in vessels.

To prevent the issue, scale inhibitors are injected which bind together metal ions

(calcium), preventing them from forming chemical bonds with anions (carbonates and sulphates) and precipitating, and/or change the shape of salt crystals, preventing crystal agglomeration and making it difficult for them to adhere *(surface adhesion of dissimilar solid and/or liquid bodies)* to metal surfaces.

I would like to highlight another challenge we are currently facing and addressing it quite successfully that is separation of water-oil emulsion, i.e. dispersion of small water droplets in oil. It is true that oil is separated from water in the reservoir, but they actively mix during production to form an emulsion. Separators are used to break the emulsion, but the mixture can be kept in separators for a limited time only, which may not be enough for complete separation. If the issue is not addressed, it will result in an increased water and salt content in the oil, causing a loss of oil quality and value. There is also a risk that water injected into the reservoir could have a higher oil product content, which means a serious loss of hydrocarbons.

To mitigate the risk, a demulsifier is added to produced water before the separators to lower the surface tension of water droplets, resulting in higher droplet mobility and faster convergence and settling to the bottom of the separator.

– Unfortunately the list of non-corrosive metals and alloys is limited, and they are unlikely to be used in the oil and gas industry. Is your subdivision involved in activities to protect the Company's facilities against the main enemy of complex process systems and structures?

– First, let's look at some causes of corrosion, such as corrosive gases contained in water and produced fluids. This is where a brief overview is required. The reservoir pressure maintenance (RPM) systems at Sakhalin Energy's offshore platforms use produced water and seawater, which contains a lot of dissolved oxygen that causes corrosion. It needs to be stopped, which means eliminating the gas from the environment by removing it in the deaeration column using an oxygen scavenger that binds free oxygen to permissible values of 10-20 ppb.

There are different types of bacteria living in oilfield environments. One of the most dangerous species is sulphate-reducing bacteria (SRB) that produce hydrogen sulphide. They are known to reduce sulphates to sulphides and hydrogen sulphide, which then reacts with iron ions to cause corrosion. Two methods are used to solve the issue of bio-contamination of oilfield environments with SRB: the first is treatment of produced water and injected water with biocides that kill the SWB, the second is treatment of injected water with calcium nitrate solution that constitutes a source of nutrition for nitrate reducing bacteria that compete and suppress the SWB, thus stopping or preventing acidification of the formation and production of hydrogen sulfide from produced fluids.

In a system of oil and gas treatment and transportation, corrosion can be caused by hydrogen sulphide coming with the produced liquid and gas. We apply the same principle as with oxygen – we remove hydrogen sulphide from the "formula", reducing its content to permissible limits based on the resistance of construction materials. Reagents, hydrogen sulphide scavengers, are used for this purpose. We monitor hydrogen sulphide content in extracted gas and liquid from each well and evaluate the efficiency of hydrogen sulphide scavenger.

Now let's talk about carbon dioxide corrosion, which is an issue for the multiphase pipeline from the Lunskoye platform to the OPF. As a mitigation measure, a corrosion inhibitor is used to coat the pipeline inner surface with a protective film. The inhibitor is regularly injected into the glycol circulating between the OPF and LUN-A and its residual content is monitored by HPLC-MS method with the involvement of the Institute of Chemistry, FEB RAS.

As there are many mechanisms and signs of corrosion, each case is investigated, with inhibitor or scavenger being individually selected.

– You are like alchemists, the difference is that you don't turn mercury into noble metals but you protect materials from aggressive influences. Adding reagents here, scavengers there, or feeding beneficial bacteria…

– We are not alchemists, we are industrial chemists. We are not looking for the philosopher's stone, we are solving real-world challenges for production. We are engaged in the selection of reagents (laboratory and field trials of chemicals), their use, including the selection of the correct dosage and injection method, monitoring of their effectiveness by sampling and sample analysis, and quality control of supplied chemicals. We also ensure procurement and delivery of chemicals to the Company's assets and issue permits for their use in the Sakhalin-2 project.

– You have a large workload and how many people work in your team?

– At the moment, there are seven employees in the subdivision. We are responsible for the offshore platforms and OPF.

– You joined Sakhalin Energy recently. Why did you choose chemistry and how did you get to the island, to the Sakhalin-2 project, from Moscow?

– We had a very good chemistry teacher at school, so when I was in tenth grade I started attending preparatory courses at D. Mendeleyev University of Chemical Technology of Russia, while participating in Olympiads. This helped me get into university and graduate successfully. I heard about the company from my friends from the Gubkin Oil and Gas University. They told me a lot about the project and dreamed of joining the company. I also got enthusiastic over the idea and decided to give it a try. First I got an internship at Sakhalin Energy and then I chose a subject for my thesis work that was directly related to Sakhalin-2 Project. And it worked.

– We have been talking a lot today about various chemical methods that facilitate production processes. Would you like to invent something of your own? Mendeleev's table is already invented, and as we know he saw it in his dream, but what dream would you like to see?

– There are a lot of issues waiting to be solved, there are "grey" zones that have not been explored much yet. "I'm not a magician yet, I'm just learning", as the boy soldier in Cinderella said, but I would like to help tackle the problem of naphthenic emulsions and calcium naphthenate deposits which is one of our current challenges. Please don't ask what it is, otherwise we will have to do another interview on it.

– How do your team feel about your aspirations?

– With understanding and support: we are encouraged to study scientific literature and read trade journals, we are going to write articles and participate in conferences and workshops. We have excellent specialists, who are always there to help, explain and show us around.

■ Interview by Elena Gurshal

corporate culture

Hotlines are Here to Help You

What are hotlines and what are they for? Do modern companies use them, and if yes, how are they established? When can you call a hotline? Let us find it out.

WHAT ARE HOTLINES AND WHAT ARE THEY FOR

First of all, it is a mechanism for reporting of wrongdoing. The Foreign Corrupt Practices Act and the Sarbanes–Oxley Act provided the grounds. They involve the development of an in-house control system, an integral part of which is the mechanism for informing employees and other persons about potential and actual violations within the Company. This mechanism was labelled a «hotline.» In modern practice, hotlines are primarily aimed at receiving reports of corruption cases. Based on this principle, other hotlines of companies can also be established.

According to a study by the Association of Certified Fraud Examiners (ACFE) published in 2020, 33% of all corporate violations were identified via hotlines.

STATUS IN RUSSIA

In Russian companies, using hotlines is not stipulated by law, but the number of companies introducing this tool is growing. One of the reasons is that they understand the need to withstand fraud and corruption, while adhering to the principles of honesty in business.

Deloitte team investigated hotlines and made a report after interviewing nine companies with less than 100 to over 1000 staff.

It turned out that 90% of companies in Russia use some type of hotlines. About 30% of the companies have several hotlines for various areas.

The vast majority of companies arrange for receiving messages from both employees and contractors. More than a third of the survey participants receive and process messages, as well as interact on hotline issues without involving third-party contractors. More than a half of the survey participants are supervised by the Compliance Service. Depending on the topics of appeals, the HR Department, the Security Service, and others may also be involved in the work.

Priority channels for receiving requests are e-mail, portals on external and internal websites of companies.

HOTLINE LEADERS OF RUSSIA

According to the 2021 Transparency International study on the analysis of hotlines for those who reported of corruption in the commercial sector, only eight received the maximum score among the largest companies in terms of revenue. Among the leaders are such Russian companies as Russian Railways, Irkutsk Oil Company, EvrazHolding, Russian Agricultural Bank, and others. Sakhalin Energy was also listed among these companies with 5.5 points out of 7.

The leaders of the survey publish their anti-bribery and corruption strategies on their websites by disclosing info on the hotline, policies and procedures, and focal points.

Such a communication channel strengthens the whistleblowing culture, makes business processes transparent and provides for proactive resolution of potential hazards and their timely elimination. The hotline of today is an important tool towards ensuring ethical business and commitment to the best international practices of corporate governance.

HOW DOES SAKHALIN ENERGY WHISTLEBLOWING HOTLINE WORK

Sakhalin Energy has a whistleblowing hotline. Company employees and contractors may use it to address corruption, conflict of interest, fraud, non-compliance with rules and restrictions in procurement, theft of the Company's property, violation of business ethics and human rights.

The most important aspect of the company's hotline is strict confidentiality of the reported information and the anonymity of whistleblowers. Whistleblowers are not subject to the Company's sanctions and are protected from the likelihood of retaliation by the violators regardless of the nature of communication.

But the opportunity to report violations should not be perceived by employees solely as a right and an additional service that can be used if they wish. According to the Company's Code of Conduct, reporting suspected violations of the Code is the responsibility of every employee.

Grievances are reviewed as per the Whistle Blowing/Grievance Procedure publicly available online.

The hotline administrator shall register the received report and, if necessary, check the details with the complainant. Having analysed the information, he appoints an action party to address the grievance. Depending on the type of communication, experts from various directorates may be involved in the review. The Focal Point conducts an investigation and informs the whistleblower about the results within the deadline established by the procedure.

HOW TO WHISTLEBLOW

By contacting your manager, contract holder (for employees of suppliers) or any other responsible managers.

By telephone or e-mail.

By contacting a whistleblowing agent (Yaroslav Paslavsky, Senior Internal Auditor).

In case of questions or grievances, you can use the following communication channels:

- whistleblow@sakhalinenergy.ru
- +7 (914) 759 99 66.
- +7 (4242) 29 99 66.
- SEIC Ethics_Mailbox SEIC-FD-CO.
- Contact the Ethics and Compliance Subdivision employees Viktoriya Stryapunina or Ekaterina Mitsuk.

You can send information and requests on labour-related matters by e-mail seic-hr-grievances@sakhalinenergy.ru

You can find detailed information on the hotline on the internal website in the Internal Audit section.

SAKHALIN ENERGY'S HOTLINES

The Company has other hotlines apart from whistleblowing:

- A hotline to report of an emergency at Company assets;
- A hotline on community grievances;
- A hotline on COVID-19 and the current situation.

The Company's Duty Dispatcher Service receives calls on emergency and abnormal situations at SEIC assets or the threat of their occurrence. These may include injuries or illnesses requiring urgent medical assistance, oil and petroleum products spills, accidents, fires, etc. Messages come from the community of the Sakhalin Oblast, executive authorities of the Russian Federation, employees of the Company and contractors. In case of an emergency or a threat of an emergency at the Company's assets, employees shall immediately contact SEIC Duty Dispatcher Service at any time of day or night by dialing 66-25-00 (mobile 29-95-00). You can also report of an incident via SEIC-Emergency-Communication-Officer@sakhalin2.ru.

The Community Grievance Hotline (including residents of the region, contracted/subcontracted employees) is designed to report any actual or potential issues and concerns with regard to the negative impact of the Sakhalin-2 project. These include negative social impacts on settlements, health, safety or environmental hazards. You can submit a grievance by e-mail to the Grievancereport@sakhalinenergy.ru, by phone 8 800 200 6624 or by filling in an electronic form on the Company's website. SEIC Corporate Social Performance Team processes messages received through these channels and coordinates grievance resolution.

If you have any questions about vaccination, the rules for arriving at the assets, or about the Company's activities in the current situation, please call the hotline + 7-914-759-47-11.

11 СЕНТЯБРЯ 2022 ЕДИНЫЙ ДЕНЬ ГОЛОСОВАНИЯ

ВЫБОРЫ ДЕПУТАТОВ САХАЛИНСКОЙ ОБЛАСТНОЙ ДУМЫ

Preparing for the Elections!

On 11 September 2022 elections of deputies to the Sakhalin Regional Duma of the eighth convocation will start. Employees of the Company's remote production facilities (offshore platforms, OPF, OPFC, Nogliki camp) will have the opportunity to vote early from 21 August to 8 September.

Russian Federation citizens with permanent registration in Sakhalin Oblast are allowed to participate in the elections. Employees who will be at their place of residence on election day will be able to vote in person at their polling stations. Employees of production facilities (including Prigorodnoye production complex) will be informed additionally about the procedure, dates and time of voting.

If you have any questions related to the organisation of participation with all questions concerning participation in the voting please contact Sergey Manchilin, Leading Specialist of the Corporate Events and Government Relations, by phone: 66 24 57, +7 914 759 41 13.

■ Alla Priimich


ПРАВИЛА НОШЕНИЯ СИЗ
✗ НЕТ
САХАЛИН ЭНЕРДЖИ
SAKHALIN ENERGY
ДА ✓
ДЛИННЫЕ ВОЛОСЫ могут быть захвачены вращающимся оборудованием
КОЛЬЦА, БРАСЛЕТЫ могут стать причиной травм рук
ОЖЕРЕЛЬЯ, СЕРЬГИ, ЦЕПИ, ПРОПУСКА НА ШНУРКАХ, ГАЛСТУКИ И ШЕЙНЫЕ КОСЫНКИ могут быть затянуты вращающимся оборудованием
ЗАКАТАННЫЕ РУКАВА могут стать причиной травм рук
СПЕЦОДЕЖДА ЧРЕЗМЕРНО БОЛЬШОГО РАЗМЕРА может быть захвачена вращающимся оборудованием
РАЗВЯЗАННЫЕ ШНУРКИ могут стать причиной падения, спотыкания и запинания
ЗАЩИТА ГОЛОВЫ от падающих предметов, обрушающихся конструкций и выступающих деталей
ЗАЩИТА ОРГАНОВ ЗРЕНИЯ от летящих частиц, инородных тел, искр, капель, излучения
ЗАЩИТА ОРГАНОВ СЛУХА от шума и громких звуков
ЗАЩИТА РУК от физического и химического воздействия, загрязнений
СПЕЦОДЕЖДА для защиты от воды, кислот, механических повреждений, низких температур и др.
СВЕТО-ОТРАЖАТЕЛИ НА СПЕЦОДЕЖДЕ для защиты в условиях низкой освещенности
ЗАЩИТА НОГ от высоких и низких температур, искр и брызг расплавленного металла и падающих предметов

safety

Focus on Protection

In continuation of the topic of correct use of personal protective equipment, which was covered in the July issue of Vesti, we decided to focus on such an important topic as troubleshooting. We all make mistakes, and most importantly, you should learn a lesson not to get into a similar situation again. And Alexey Zasutskiy, Sakhalin Energy Head of Operational Safety Subdivision, became the first Company employee to share his life experience.

"I started as an assistant asset manager. One of the projects I was engaged in was the construction of a welding shop in a half-abandoned Soviet building. The heating was hardly operative, hazardous areas were not marked, aisles were dimly lit. We were inspecting the area, and unfortunately, during one of the inspections, I did not have my torch with me. I was then not as aware of safe working conditions as now, so I did not pay much attention to not having a lighting device with me. I had the following PPE on me: dedicated overalls and a hard hat that happened to be very useful.

As I was crossing one of the dim corridors, I literally headed into a rebar that was poking out. So heavy did I strike my forehead that I was almost knocked out. When I recovered from the unexpected knockout, I checked my hard hat and saw a clear dent in it. Without the head protection, the consequences would have been much more critical: I could have damaged my soft tissues or even the scull bones.

What conclusions can be drawn from this story? First, you need to thoroughly inspect the area where activities are to be carried out, to scan the area for possible risks. Second, an employee can only set to work after a briefing to be held after such an inspection. Third, PPE is mandatory for all employees.

That incident became a very important lesson for me. I sincerely hope that the same will be true for my readers.

Two-Month Summer Day

The first stage of the Great FUEL&Co Expedition was the Summer Safety Day that started at all Company assets and functions on 19 May and finished on 19 July. It was organised by HSE specialists who were very scrupulous about concluding the Expedition that lasted for two months so that the whole Sakhalin-2 team is embraced. Close attention was paid to the feedback from session participants.

As per Evgeny Kovalyov, Head of Department, the Summer Safety Day brought together Company employees and contractors to address the most important matters related to HSE and the culture of safety.

"Four topics were suggested: fire safety, working at heights, safe commissioning, and management of negative factors and seasonal risks. Special focus was placed on Life Saving Rules that was a fil rouge at all sessions and became the topic of a special quiz. Over 4500 people took part in the sessions, and over 1100 participated in the quiz. Most people rated the event an A. There was no negative feedback," – Evgeny Kovalyov tells us.

Asset employees gave a positive feedback on the pre-reads, including two videos on Life Saving Rules, noted that the topics were covered and both in theory and in practice, with a stress put on the importance of abiding the rules before and during the turnaround. Nevertheless, they also highlighted areas for improvement. For instance, they advised that more videos be made to image examples of incidents, and more time is given for discussion by providing pre-reads earlier. HSE stressed that all suggestions would be reviewed in detail and taken on board.

Prigorodnoye vocational training center

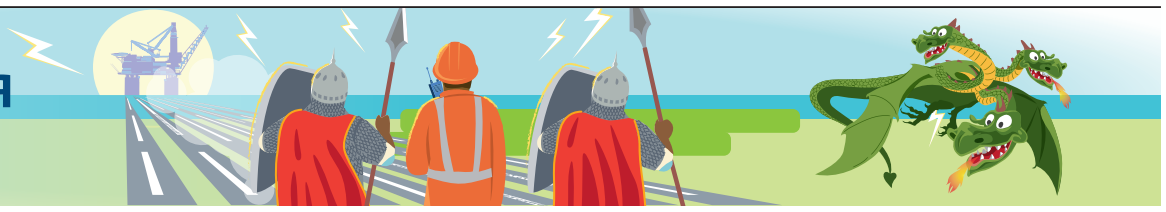
LUN-A

OPFC

Sovetskoe PMD

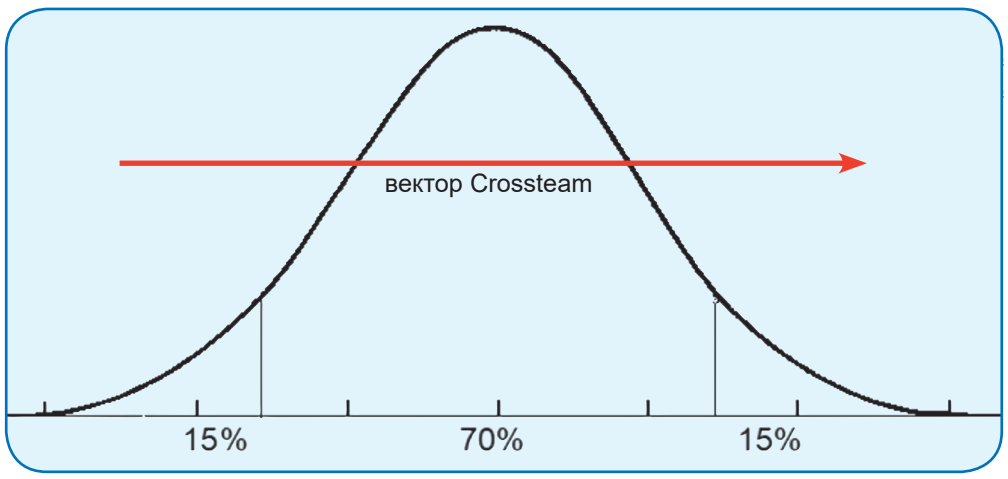
The page is prepared by Pavel Ryabchikov

«БОЛЬШАЯ ЭКСПЕДИЦИЯ ТЭКиКо»



Expedition in the Palm

The Great FUEL&Co Expedition continues: following its first stage – the Summer Safety Day – the Sakhalin-2 project team enters the second one. A new CrossTeam project was launched at all the Company's assets on 1 August. According to Konstantin Kokorin, Sakhalin Energy's Health Manager and one of the main ideologists of the initiative, its major goal is to help project participants become active proponents of a healthy lifestyle.



– Konstantin, could you give more details about the new project and its specifics, please.

– This is a pilot project, which will run for three months and will be accessible to all personnel of the Company. You need to take a few simple steps to participate. First of all, install a CrossTeam mobile application on your smart phone, second, register, and third, proceed with the tasks.

I believe that users will not face any difficulties with the digital platform, because the application's interface looks like a social network adapted to corporate requirements and priorities. Since the project is part of the Great FUEL&Co Expedition, we might as well say that we are transferring the expedition into the palm. There is no need to wait for a certain moment to take part in the event anymore. You have some free time? Start the app and go ahead! Practical and easy.

– What are the prospects of the project?

– It all depends on the results of the test phase: engagement of the participants, their achievements, feedback on the platform, its content, tasks, and, most importantly, how far we will progress to the key goal set by Roman Dashkov, Chief Executive Officer of Sakhalin Energy, that is, the improvement of health of Sakhalin-2 personnel.

– The Company has already done a lot to this end. There are sports facilities at the production assets and Zima Highlands; Sakhalin Energy has programmes to control smoking, fatigue, back pain, etc. Is there a need for new initiatives?

– As Aristotle, once, put it: life is movement! As soon as you stop and go adrift, there begins degradation. This is equally true both for a particular person and society as a whole. By the way, sociology uses the concept of Gaussian distribution – a bell curve that represents various variables. In our case, we have the following picture:

15% on the left are the so-called healthy-lifestyle dissidents, that is, people who will never give up their bad habits. They will never go to the gym, give up smoking, or give a thought whether or not they eat healthy food. 15% on the right are healthy lifestyle fans, to whom I count myself. Even if I were locked away in a single room at a hotel, had no access to exercise machines, a playing-field, a pool, etc., I would not stop doing exercises and would continue doing yoga. The most interesting are the 70% in the middle. These are the people who understand the need for regular physical activity, a healthy lifestyle, but are unable to move to the "fans" category on their own, without external impulse. They constantly see some obstacles: it's either lack of time, or they can't find a suitable company; any other excuse will do. It is exactly this category that we intend to work closely with under the CrossTeam project.

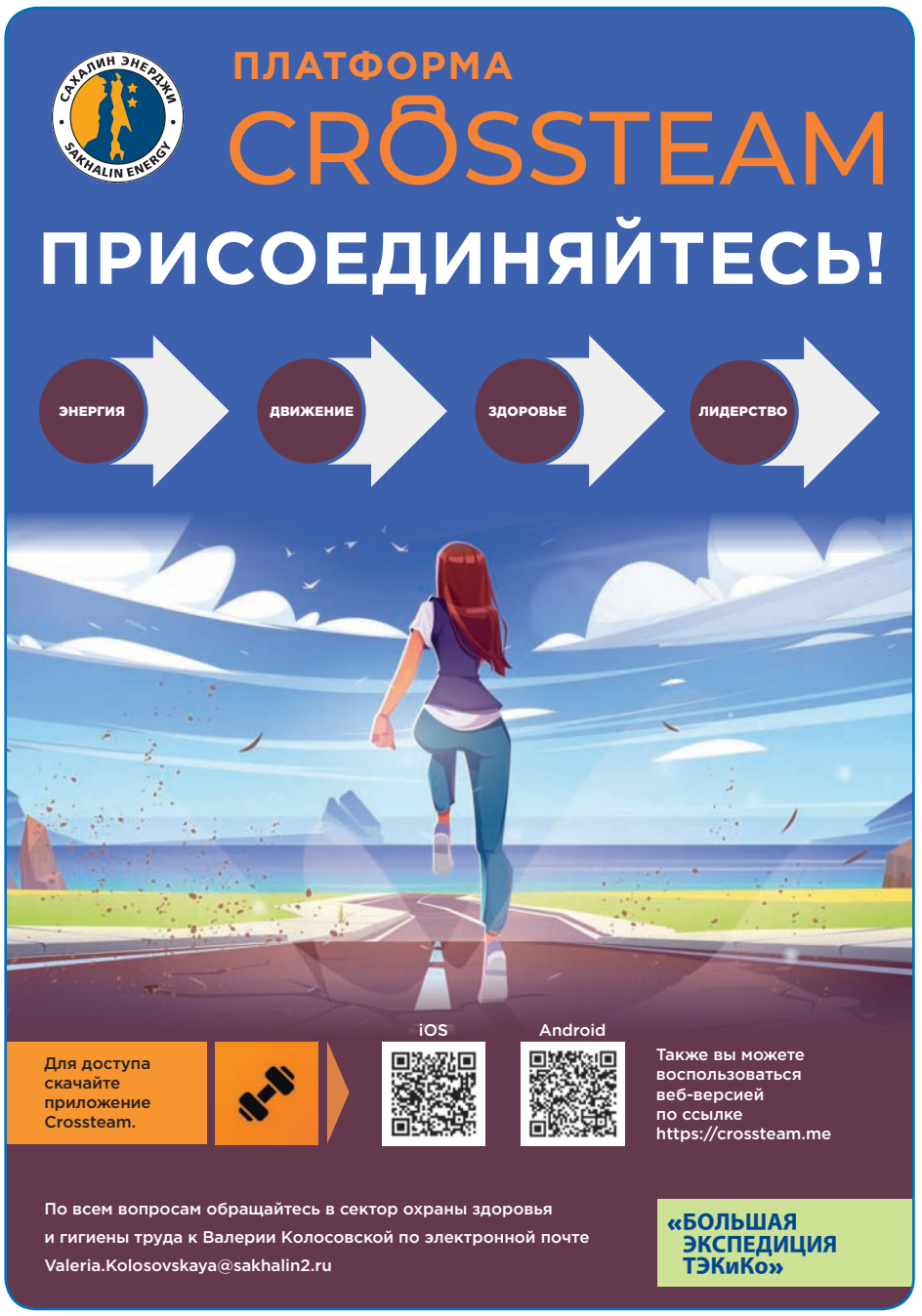
– How will this happen in practice?

– Another social phenomenon comes to our help here – the transition from an unstable to a stable condition. Here is a simple example. When a person does exercises only once, it means almost nothing. There is little chance that he gets the taste of it and will systematically engage in sports. If the exercises are repeated, the chances rise, although this is still insufficient. The chances grow with every new day of physical activity and at a certain stage the person suddenly "has the drive." He does not have to force himself to do exercises any more or get on the treadmill, this happens by itself, because there is a habit in play. A habit usually takes three weeks to make. This is an average timing, which may vary in practice, but the result is that the person cannot do without physical activity anymore, and this becomes part of their life.

Using their mobile device, a person (and we all dependent on gadgets, let's their team forward. At the same time, we start moving these 70% to the right, towards the "fans" side, raising the initial 15% to 20, 25, 30%, etc.

An active and healthy lifestyle, healthy food and a positive attitude will boost body robustness and increase stamina. As a result, it is not only ourselves that we strengthen that way, but also our large Sakhalin-2 project team; we make the team even more efficient and united. This makes it worthwhile to work up a sweat, both in the literal and figurative senses.

■ Interview by Pavel Ryabchikov



More information about the CrossTeam mobile app can be found on a special page on the intranet dedicated to the FUEL&Co Great Expedition.

sport

Digitalisation and Sport: Comfort and Achievements

To keep pace with technology while consulting the Journey Book, Sakhalin Energy Facilities Management and Development Division (FMDD) rolled out a new software tool at the Zima Highlands sports facilities on 1 July 2022. It is ZimaHighlands, a branded mobile application that can be used to get information about the facilities' opening hours, training schedules, sports clubs and coaches, sign up for group workouts, and book tennis and squash courts.

"The Zima Highlands sports facilities are special, therefore, none of the standard, or, as they say, packed solutions offered by Russia's fitness clubs fully met the purposes of the project or needs of our visitors. The project team reviewed and evaluated a large number of applications, chose the best one and suggested improvements for the convenience of users," says Svetlana Belyavtseva, a specialist of Sports & Leisure Section.

The project was coordinated by the FMDD Catering and Leisure Section. The project team included the specialists of IT&IM Department, Corporate Security Department, Legal Directorate, as well as iFCM Group, a contractor for catering and sports services. Special thanks go to Yury Zakharov, Egor Odintsov, Maria Gatilova and Natalia Strukova. With their professional vision and initiative, the team was able to avoid mistakes when selecting and implementing the app and get the perfect mobile tool.

"The registration process is simple. You just download the app, enter a code received by e-mail and use it everywhere where the internet is available! It shows the working hours, including changes, and information on available groups, sports, schedules, and coaches. After a workout you can leave a feedback on the workout and suggest improvements. It is especially convenient now to book tennis courts,» shares her feedback Yulia Lee who visits regularly the Zima Highlands sports facilities.

The sports app is a novelty for us, since usually such tools are only used in elite sports clubs. Now we will be able to receive and analyse up-to-date statistical data to make the social benefits offered by Sakhalin Energy to its employees and their families even better.

During the transition period, as users familiarise themselves with the new app, you can still sign up for workouts at the reception in Oasis Sports Centre or Zima-1 Recreation Centre.

While not being complacent, we have chosen to follow a path of improvement. Therefore, we need your feedback. And our Company needs healthy and active employees and a friendly team. Come to our sports facilities, bring your families, run, jump, play, enjoy various sports and activities! We are waiting for you.

■ Marina Semitko

HOW TO USE THE APP AND WHERE TO START?

Download ZimaHighlands to your smartphone (Apple or Android) and visit one of the Zima Highlands sports facilities (Oasis Sports Centre or Zima-1 Recreation Centre). Fill in the registration form at the reception, specifying your full name and personal e-mail address to which a code will be sent for registration in the app. Once your e-mail has been linked to your visitor card register in the mobile app and you can enjoy the full range of features available in ZimaHighlands. And the app offers quite a wide range of services covering most of the needs of users.

Ready to Swing

The tennis courts at Zima Highlands reopen after upgrade and refurbishment. The ceremony was attended by Company employees and their children, including members of the corporate tennis club, and coaches from the Oasis Sports Centre.

"One of the tasks of the Facilities Management and Development Division is to create a comfortable living environment and offer quality leisure activities for the residents of Zima Highlands and their guests. Under this strategy, we routinely repair and maintain the sporting facilities of the housing complex. I hope that tennis enthusiasts will come to appreciate the quality of the renovations and the ease of use of the two outdoor tennis courts. We welcome our champions and wish our athletes new victories!" Vladislav Rezvykh, Deputy Head of the Facilities Management and Development Division, greeted the attendees.

Roman Mikhailyuk, a category 2 engineer and the manager of the sporting facility upgrade project, addressed the court visitors with the following words: "It is a great pleasure to do things that benefit those around you and bring them joy. Our first priority, however, is your safety, so we wish all athletes good health and injury-free games."

After the ceremony, Alexander Anokhin, a coach from the Oasis Sports Centre, gave children a masterclass as the first step on the budding athletes' path to major tennis. "It was the first time I had played tennis, I'd never played it before. I really enjoyed it! It's nice that you don't have to go to the city to do sports, everything is so close at hand," said Darya Chernova, a participant in the masterclass, about her impressions.

The two tennis courts near the Oasis Sports Centre have been in operation since 2005. Their capacity ranges between 350 and 400 players per season. The Company's employees, their children, and guests can come and play; besides, training sessions are held here for anyone wishing to learn the basics of the game of tennis.

■ Dmitriy Demishev

Bear Alert

Residents of Sakhalin and Kuril Islands report bear sightings. In July, the animal was spotted behind the Kristall Sports Complex in Yuzhno-Sakhalinsk and at the exit from Novoiy Dalneye residential area. Bears can generally be seen not only in the forests of Sakhalin but also within populated areas, and they show no fear of the locals and are increasingly frequent visitors to the Company's production facilities. Therefore, precautions related to the risk of meeting a bear are particularly necessary now.

A brown bear is a large predator that is extremely strong and poses a threat to humans. The risk of negative consequences increases if you meet a bear with cubs, a bear with prey or an injured bear.

The following rules must be observed when planning an outing into the forest:

- Inform your friends and acquaintances about your intended area of visit.
- Be sure to bring animal deterrents such as false flares, pepper sprays and sound horns.
- When moving around in the forest, try to stay in open areas where bears can be identified in advance.
- Go out into the forest in a group – this will greatly reduce the risk of aggression from the bear.

If you are in a remote area, no matter how long you are camping, including with a field party or at a Company facility – never leave food waste around the camp, facility, base or on routes or at rest stops. The food waste must be taken away (if disposal is not possible);

WHEN A PREDATOR APPROACHES:

- **Do not panic. A bear usually walks away once it is sure there is a human in front of it.**
- **Try to force the bear back. This can be done with a sharp sound – a metal-to-metal bang, an emergency flare or a flare gun.**
- **Pepper spray is a good scare deterrent. Important – only a special concentrated pepper spray is considered effective; others may not have the desired effect.**

What to do if you unexpectedly meet a bear? Above all, stay calm! Stand tall and make your presence known by talking loudly. Leave slowly and carefully in the same way you came. Do not turn your back on the bear when doing this. Keep him in sight, but do not run under any circumstances while you remain within sight of the animal! Be especially careful when meeting the bear cub, as its mother is likely to be somewhere nearby and, if she spots you, she is likely to attack.

We hope these simple rules will keep you safe.

■ Anton Plyakin

What a Fish!

It is almost impossible to live in Sakhalin without eating fish and seafood. Seafood protein is easier to digest than animal protein, this food is low in calories, rich in micronutrients, which improve brain function, strengthen the walls of blood vessels, normalise hormone levels, and regulate cholesterol levels in the body. One may say: just eat and enjoy! Well, it's not that easy.

As Andrey Lee, Senior Specialist of Sakhalin Energy Industrial Hygiene Sector, reminds us, it is always necessary to take into account the high risk of food poisoning from the dishes made from marine or freshwater inhabitants if consumed improperly. "Such poisoning is one of the most dangerous and can cause death. You can get into hospital if you ate stale, poisonous or wrongly cooked fish and seafood, or if you ate too much of it. Do not forget about the danger of allergic reactions", – says an expert with many years of medical experience.

As he put it, the main universal rule that everyone should follow is not to eat products, including seafood and fish, if you are unsure of their quality. Do not prepare and eat them if:

- shelf life specified on the package has expired;
- package is damaged;
- product was re-frozen;
- it has some sticky stuff and smells bad;
- fish gills are dark.

Do not buy seafood from non-licensed dealers, especially in the street and in hot weather. Fresh catch should be prepared as soon as possible. Do not store it at room temperature.

"Do not store ungutted fish in the refrigerator for more than a few hours before cooking. Freezing it after gutting will reduce the risk of parasitic infections. Please remember that some helminths die only when frozen for two weeks at -18 °C. Depending on their species, seafood and fish can be stored in the freezer from two months to a year at a temperature between -18 and -25 ° C", – adds Andrey Lee.

To reduce the risk of poisoning, it is not recommended to consume fish and seafood, especially molluscs caught in areas with unfavourable epidemiological and environmental conditions (presence of large, "dirty" industrial production facilities, animal breeding, agricultural and other enterprises).

In case of poisoning, seek medical attention immediately! If you are not able to do so, do the following:

- rinse the stomach with a soda solution (1 tablespoon of soda per 2 litres of water), throw yourself up (for this, press the root of your tongue with two fingers);
- take adsorbents (activated carbon, 1 pill per 10 kilograms of body weight);
- drink a lot (2 to 3 litres per day);
- hold to a diet, do not eat on the first day after poisoning.

"Do not underestimate the consequences of intoxication after eating seafood. Even if you have handled the acute phase yourself, be sure to seek medical advice!" – stressed Andrey Lee in conclusion.

■ Pavel Ryabchikov

photoreport

Reviving Sports Legacy

The Sakhalin Oblast Traditional Sports Competition Among Children of Sakhalin Indigenous Minorities has Ended in Poronaysk.

A total of 78 athletes took part in the four-day competition programme. Among them were representatives from the Okha, Alexandrovsk-Sakhalinsky, Nogliki, Tymovsk, Smirnykh, and Poronaysk Districts, Yuzhno-Sakhalinsk, and a team from the Kamchatka Krai that joined the Sakhalin sports event for the first time this year.

According to Olga Kutaybergey, Advisor to the Sakhalin Indigenous Minorities Department of the Sakhalin Oblast Government, this year's traditional sports competition was special. "In order to build interregional cooperation, we have expanded the geography of participants. This is important for exchanging experience and preserving the multinational sports legacy," added Olga Kutaybergey. "Today we can see that indigenous traditions live on and develop, bringing together more and more representatives of indigenous ethnic groups from different regions. We hope that the number of athletes participating in the Sakhalin competition will continue to increase in the future."

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The guests and competitors had a chance to learn the art of harpoon throwing during a workshop led by members of the Federation of the Northern SIM All-Round, Gennady Azmun and Mikhail Lemchin, and the chief judge of the competition, Natalya Chaika, a member of the Regional Council of Sakhalin IP Authorised Representatives. "We are reviving a national sport that lies at the heart of the traditional economic activities of indigenous peoples. Many of them hunt and fish all their lives, and that takes

certain skills. Mastering of these skills in the competition will help to preserve the economic activities that form the foundation for the growth and development of indigenous groups," noted Natalya Chaika.

The Kamchatka delegation, headed by the President of the Northern All-Round of the Kamchatka Krai Anatoly Kim, also hosted a workshop and shared the secrets of throwing tynzyan on a khorey. The expert mentor, who noted the great potential of the competitors, demonstrated special techniques for improving the range and preciseness of the throwing, and practised them with the workshop attendees. Tynzyan, a long rope (lasso) for catching deer, means "long hand" in Northern indigenous languages, but on Sakhalin, as well as in Kamchatka, people call it "maut". Traditionally, throwing tynzyan on a khorey acts as a sort of qualifying exam for deer herders. Such exams can take place any time of the year. Just like in the competition, the examinee needs to be as precise as possible at throwing tynzyan onto a khorey – three-metre wooden pole. The most successful throwers in their corresponding age groups were Bogdan Chinkov (Nogliki District), Danil Fast and Natalya Makarova (Kamchatka Krai), Andrey Khrulev (Poronaysk District), and Darya Valeeva (Okha District).

The winners of another equally spectacular sport, axe throwing, who demonstrated masterful precision and great body control, were the eight competitors that threw the unique ancestral tool over 70 metres. One of them was the 16-year-old Anton Stepanov from the village of Val

in the Nogliki District – with the throwing distance of 114 metres, he became the competition champion in this sport. A guest from the Kamchatka Krai, Danil Fast, was the winner in the middle group, and Sergey Lukshaytis from the Alexandrovsk-Sakhalinsky District was the best among the youngest competitors. Among the girls, the undisputed leaders were Darya Solovyova and Valeria Samarskaya (Nogliki District), and Tamara Akeeva from the Kamchatka Krai.

Sergey Lukshaytis (Alexandrovsk-Sakhalinsky District), Semyon Reznik (Poronaysk District), Ilya Shadrin (Nogliki District), Elena Mugdina (Tymovsk District), Natalya Makarova and Snezhana Ukrina (Okha District) became the best at weight throwing. Those who didn't win top places this time do not feel discouraged and intend to work on their skills. "I hoped to place higher, but I didn't do well enough in throwing – that proved to be the most challenging sport to me. Nevertheless, I'm not giving up hope to win something and will continue to take part in the yearly competitions," said the first-time participant Viktor Trofimov from the village of Viakhtu in the Alexandrovsk-Sakhalinsky District.

In the next competition event – the national triple jump – the fortune smiled upon the Okha team. The northerners – Alexander Kekhan, Evgeny Samenko, Anastasia Zavyalova and Darya Valeeva – domineered the top of the victor's podium in this sport. Other winners included Danil Fast from the Kamchatka Krai and Valeria Samarskaya from the Nogliki District. The opposite situation was in the running with sticks event – here the fastest were Kamchatka participants Natalya Makarova, Danil Fast, Lev Voropaev, and Tamara Akeeva, as well as Anton Evskin and Anastasia Zavyalova from the Okha District. In archery, the best results were demonstrated by Roman Tatarintsev and Nikita Tanvin from the Smirnykh District, Olga Ukrina and Artyom Kuyran from the Okha District; in jumping over sledges – by Artyom Kuyran, Anton Evskin, Natalya Makarova, Anastasia Zavyalova, and Darya Valeeva from the Okha District along with Egor

Chkhavrun from the Nogliki District. Anton Evskin, Darya Valeeva, and Anastasia Zavyalova (Okha District), as well as Kamchatka representatives Danil Fast, Lev Voropaev, and Maria Kuklina, showed winning resilience in running with weights.

"The indigenous peoples of the North can be rightfully proud of their national sports that have survived the test of time. Today, many of these sports have become part of their cultural heritage, since they take their roots in the numerous legends and folklore. And we treasure each sport like a precious pearl, trying to preserve it for future generations of the Northern ethnic groups," said Yulia Zavyalova, Lead Specialist of Sakhalin Energy Social Performance Subdivision.

The competition reached its climax during the final events. Bogdan Chinkov (Nogliki District), Semyon Reznik (Poronaysk District), and Mikhail Baksheev (Yuzhno-Sakhalinsk) demonstrated remarkable strength and skill in national wrestling. The Okha delegation took the first place in team tug-of-war.

At the end of the four-day sports programme, the names of six participants from the Okha District and the Kamchatka Krai made the list of "absolute champions" – athletes who had taken the most first prizes in the individual events. These included Alexander Kekhan and Anastasia Zavyalova in the junior group, Danil Fast and Natalya Makarova in the middle group, and Anton Evskin and Darya Valeeva in the senior group. The champions noted that their coaches deserved credit for this result and that it was going to motivate them further. The athletes from the Okha District led the team medal count, while the Nogliki delegation took the "silver", and the hosts of the competition, the Poronaysk team, took the third place.

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The Sakhalin Oblast Traditional Sports Competition Among Children of Sakhalin Indigenous Minorities is financed by the regional government and Sakhalin Energy, the general partner of the competition.

■ Marina Semitko

Green Energy

Over 80 Company employees and their families have marked their first true summer weekend of this year with an eco-campaign supporting the Sakhalin Botanical Garden.

There was pretty much to do: they painted curbs, benches, a veranda, and tables; chose stones for a new curb, levelled ground, transferred gravel, lined up a fence and cleaned up the plant nursery from branches

The participants transformed the territory in just an hour. "It's hard to believe how fast and masterful did they cope with such a scope. We would need at least a month without you to do the same," – so amazed was Dmitry Lebedev, Head of R&D Department of the Botanical Garden, with the results.

While their parents were working, almost thirty kids went on a tour called With my Backpack on a Track to visit tadpoles in ponds, watch ants and bugs, look at petals through a microscope, learn how to paint on shells and wood cutoffs. And the youngest volunteers were reading "living" books at a cosy lawn.

Some of our colleagues who took part in Green Energy felt a bit anxious that they had done too little for the Garden. Konstantin Kozyrev, Deputy Director of the Botanical Garden, hurried up to soothe them: "We are sincerely thankful to the Company's employees for their invaluable help. Your support allowed the Garden staff to focus better on R&Ds aimed at preserving the plant diversity of the island.

■ Evgeniya Diamantidi

our children

Happy Holidays: a World Without Frames and Templates

For the second year in a row, the Eureca Education Centre has been running Happy Holidays, a summer programme for children of the Company's employees. It provides for non-standard organisation of development activities, with new platforms arranged during each shift for creative and intellectual activities.

What is the main feature of the summer programme? A short answer is that the programme is regulated by children themselves. Happy Holidays is a place where children make choices with no fear of trying out new things. They choose workshops to attend, morning and afternoon activities and can even create interesting events on their own – from proposing an idea to its full implementation. Children discover a whole new world with no frames, stencils, templates or imposed values.

This year's Happy Holidays programme is run on three platforms based on the age of participants: 6–8 years old, 9–12 years old and 13–16 years old. For instance, on the first platform, each shift runs under a single thematic concept. Being actively engaged in the life of their group, children choose their activities freely and easily, under no pressure, and masters organise workshops and master classes considering the wishes and requests of the children. Evening events result from the plot twists of a story where the campers are the main actors. This gives rise to interesting initiatives, fostering internal motivation and making the children more involved in the creative process. They find themselves in a world where they set their own rules and push boundaries.

What is the difference between the new Happy Holidays programme and the previous one? Last year, campers could take the initiative in arranging events and activities only in the second week of the shift. Masters announced the establishment of a parliament that was involved in planning and organising events, and only after that the work was launched. This time, the initiative club began its work on the third day of the shift already. The idea came up during the meeting of "clans" where the children set a goal to change the fictional currency which they used to explore the island. The children are aware that they are free to create their own story, taking the shift down a path that they like most.

Personal tasks are not imposed on them but rather emerge naturally in the process of work, which has been repeatedly confirmed by the participants of the 2022 Happy Holidays programme. It is very difficult to force children to do something they don't want to do. Besides, it is meaningless and fruitless. The reproductive nature of the activities reduces greatly opportunities for personal development and self-fulfilment.

The Happy Holidays programme gives children a chance to step away from the familiar system to build their own system that will respond to their needs and be adaptive. So, this year an idea has emerged to adjust the system of daytime activities. Previously, children could choose from the activities offered to them by the masters or the counselors, but it turned out that the list was not sufficient, therefore it should be expanded.

Children suggested that a survey should be carried out in the groups on the topic "Your hobby", with an additional activity added every day to the list based on the results of the survey. Such a survey should be run by the young initiators themselves. This will help not only expand the range of interests, but also create new social groups and make ties between children within the groups stronger. The important thing is that children really want it and are willing to take action to achieve the goal on their own.

The masters try to find an individual approach to each child in order to encourage internal motivation and minimise the influence of external factors as an outcome of the child's activities. The main thing about the workshops is the process. After all, children do not just create a product and perform mechanical actions, but they look for critical ways of solving tasks they set for themselves. They explore shaky ground and bravely step on it once they realise that they can cope with any challenges on their own – the only thing you need is a strong desire.

It is during daytime activities that a multilingual situation is created. We do not learn languages on purpose; we get to know another country and its language through games, plastic arts and visualisation. Under the Happy Holidays programme, children are in constant communication with native speakers and culture-bearers. Pair pedagogy helps with the challenge. There is a teacher next to a foreigner whose task is not to translate the foreigner's speech for children, but to help them find other ways of interacting: asking clarifying questions, using alternative, non-verbal languages.

An important change has been made this year: the workshops that work every day have started to interact during the work process. Children attend workshops, open championships and just help each other in their creative work. The main task of the masters and counselors is to create a situation where children will develop the ability to find means to implement their personal goals and build self-esteem.

Within the workshops and 'clans', tasks are distributed in a way that encourages each participant to expand their individual area of responsibility. This is required to understand the mechanism of teamwork within workshop projects and within the storyline of the shift. Through trial and error, each child learns to be attentive and respectful of other people's work.

After the first two shifts, the children of platform 2 have arranged two photo exhibitions and produced a short film based on their own script as part of the photo workshop; in the media workshop they have learned to share interesting events, produced several shows, news broadcasts and video art on the topic "What Sakhalin means to me"; in the game workshop new products appear every day, as children learn methods of organising mass games and have already held a championship in balloon blowing; the participants on the sports workshop have created two new sports games in a fortnight; the dance workshop has only recently opened, but the children have already prepared a small concert for the whole group; in the cuboro workshop children are looking for new ways of building towers and making them more complex, breaking records every day in the size of their structures.

The main purpose of the Happy Holidays team is to make children happy, free of prejudice and constraints.

■ Irina Nemykina

contest

Let's support the company!

A survey among Sakhalin Energy's employees was launched in June as part of the Russian Employer Rating project, which is conducted by the country's largest online recruiting platform HeadHunter.

Ratings are the main way to determine the most attractive employer. Job seekers are guided by such polls, because each of them wants to work for the best company – especially if its prestige is supported by real achievements and assessments of the leading recruiting agencies.

Participation in the rating has become a tradition – for the third year in a row our employees help the Company to become one of the leaders of the top employers in Russia. Last year we rose from fifth to fourth place in the field of «Energy and hydrocarbon production». At the same time Sakhalin Energy is in second place among companies with 1001 to 5000 employees. This result is yet another evidence of the responsible attitude of the personnel to the issues important to the Company. Along with activeness, commitment and desire for continuous improvement, this attitude of the Sakhalin-2 project team largely determines its leading position among other enterprises of the global fuel and energy complex.

In the 2021 rating about 70% of direct employees voted for Sakhalin Energy and more than 500 people voted for it in the job applicants' poll. This year we have an opportunity to improve the bottom line. In order to do that we are again inviting employees of the Company to support the Company by doing a poll on the HeadHunter website. Voting will continue until 28 September. Do not delay and share your opinion right now!

If you have any questions, please contact Maria Nikolaeva, Deputy Head of Human Resources.

Choosing the First Option

How to replace hospital wards with ski slopes, rock-climbing and rollerdrome facilities, and medical equipment with sports equipment for children with disabilities? Alexander Artemov, Director of the independent non-profit organisation Islands of Kindness, knows the answer to the question.

– Alexander, you submitted your project "Rehabilitation through sports therapy for adults and children with disabilities" to Sakhalin Energy's grant competition and became one of its winners. Why is it an issue of your concern?

– I have a son diagnosed with a severe lifelong illness (Type I Diabetes). The best preventive treatment for such a diagnosis is adaptive sports. Moreover, I have been involved in sports therapy for many years.

– Sorry that I have touched upon your personal life.

– It is probably difficult to understand what fire is like if you have never burned yourself. I started doing sports therapy when living in Vladivostok (three years before my son got the autoimmune disease). I ran a special adaptive programme in a tourist camp, following a relevant training from the Dream League non-profit organisation I had completed in 2016.

In 2019, I moved to Sakhalin with my family. Together with Danil Mironenko, my partner and colleague, we opened a ski and snowboard school, and I was surprised to see that children or adults with disabilities were rare to attend lessons with an instructor on the slope. At the same time, it was a big city, which meant that there were definitely people facing similar health problems. Having studied the issue, I found funds and programmes that could help such children. While keeping in touch with the Dream League management, I completed trainings and an internship on rehabilitation through sports therapy. I established the Islands of Kindness non-profit organisation. That was the path that led me to Sakhalin Energy.

– Have you found an ally in the Company?

– For sure. I received help and was told about the projects and programmes supported by the Company. I even completed Sakhalin Energy's training on developing and writing grant projects. I prepared all documents, developed programmes, a schedule and won funding.

– When did it happen?

– It took about a month to deliver the equipment from Moscow but we did not sit on our hands. We had four instructors who took additional training to obtain a licence for adapted physical education teaching. We have established close cooperation with the Preodolenie rehabilitation centre through signing a relevant contract, while actively communicating with the municipal and regional social services. It should be noted that Sakhalin Oblast is one of the most socially oriented regions in the country.

– Please tell us more about your cooperation with the centre.

– It is our main partner. The thing is that we do not look for children on the street. We give lessons to the patients of Preodolenie centre who come for rehabilitation from all over the region. The children work with psychologists, take part in creative workshops, undergo physical therapy with in-house instructors, and attend our trainings. We are included in the formal rehabilitation programme of the Preodolenie centre.

– What health problems are usually experienced by children who come to your training sessions?

– Cerebral palsy, vision and hearing impairments, Down's syndrome and autistic disorder. We also work with the children's healthy siblings who often come as family members for the period of rehabilitation and visit the Preodolenie centre.

– Sorry for being sceptical but can sports help them all?

– Yes, it can, to varying degree. Such exercises not only improve the children's physical well-being but also encourage their social development. It is not a secret that children with impairments are hit the hardest by loneliness. No walls of any rehabilitation centre, even those made of gold, could ever substitute for the feeling of the sun and wind and the feeling of being part of a team.

– What equipment do you use?

– Sliders, rollator walks and all game equipment. We give lessons that both children and their parents enjoy very much. Our activities are run for the whole year round. In addition to skiing, we also offer roller skiing in summer. For children with mental issues we have developed special methods for different types of group games, which is very important for them. We have many plans, such as a rock climbing wall and water sports. So, the main thing is to set a goal and achieve it (with another goal already in sight!).

– You have a dream that is related to the project development. Please tell us about it.

– My dream is to create a centre of adaptive sports on Sakhalin. I want people to come to the right person, a professional who would focus on their child, taking into account all the features of the disease, to help the child take the first step, then the second one, the third one... and eventually find his or her way.

– Will this work?

– There is a phrase which is not mine but it serves as a good answer to your question: If you try you have two options: it either works out or not. Otherwise, there is only one option.

■ Interview by Elena Gurshal

"The World through the Lens" in the Eyes of the Participants

The artist's job is to give birth to joy.
Konstantin Paustovsky

The company continues to accept entries for the anniversary photo contest "The World through a Lens – 2022".

Time flies quickly – the competition is 15 years old this year. In honor of the anniversary, we asked the winners and participants of previous years why they decided to take up photography, how they came to participate in the contest and what emotions they had while doing it.

The work is boiling

It turned out that for some of them photos once entered in the contest became the starting point in the world of photography, awakened their interest and encouraged to develop their talent.

Ekaterina Korzinina, technical assistant of the Land Logistics Manager and a regular participant in "The World through a Lens," can already call herself a professional photographer.

"I started participating in "the World through the Lens" corporate competition, I think, in 2012 or 2013, and since then I try not to miss it. I remember the first time I applied to participate – with shots taken with my phone. It was very exciting. I didn't win any prizes back then. Now I realize that I couldn't have done it with such work, but it didn't upset me; on the contrary, I felt the urge to learn to shoot better. During these years my photography has changed significantly, I went from amateur to professional, and I can confidently say that " The World through a Lens" certainly contributed to my career as a photographer" – Ekaterina shared her memories.

For many people participating in the photo contest has become a good tradition.

Kirill Chebotar, Senior Project Engineer of the Projects Delivery Subdivision, is engaged in photography for a long time and doesn't miss any opportunity to present his works: "I've been taking part in the contest for many years. Despite my considerable experience in photography – more than 20 years – I have won first place only once, because photography is not about craftsmanship, but rather about content. I recommend everyone to take part in such contests! You might have a great artist inside you that you don't even know about."

For other amateur photographers, the contest serves as a kind of showroom in which they can show their understanding of the world, convey emotions, feelings and moods.

"It's always nice to share amazing views and unusual angles of the world around us. Often in the hustle and bustle of everyday life you can not notice and not appreciate even the brightest events. That's why events like this help to see and capture the elusive beauty of moments," says Ivan Gerasimenko, Senior Mechanical Engineer, who participated in the contest for the second time.

Some potential entrants may be deterred by the fact that they do not shoot with a professional camera, or that their work will not resonate with the audience... But these fears are absolutely unfounded.

Alexander Shilkovskikh, Operations Technician, was among the 2020 prize winners – his photo "The Mirror of Tikhoi Bay" became the hallmark of "Pristine Russia: Sakhalin and the Kurils" exhibition.

"There is an expression: Beauty is in the eye of the beholder. Notice interesting, beautiful angles in everyday life! And you don't have to use expensive cameras to get a good shot. For example, "The Mirror of Tikhoy Bay" was shot on the move on your phone," Alexander told us.

Join the contestants and show us how you see the world! Maybe it's your work that will reveal to others the endless potential of photography.

We would also like to remind you about the company's photo quest "Through Time," whose participants and winners will receive valuable prizes!

We are waiting for your photos until August 21. The contest rules are published on the internal site.

■ Dmitriy Demishev

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