

# VEST

#### **SEPTEMBER 2021**

### Sakhalin Energy



#### <u>congratulations</u>

### Our Strength Lies in Our United Team



#### **DEAR COLLEAGUES,**

On the first Sunday of September, we celebrate the people who have devoted their careers to a matter of national importance, oil and gas production and supply of essential fuels to customers. These people greatly contribute to Russia's economic development and build a solid foundation for implementing numerous social programmes and enhancing the welfare of the country's population.

Each year, the oil and gas industry faces new challenges, and it is through our shared efforts that the company has been able to successfully cope with them. We fully honour our commitments to customers, maintain large-scale production and development activities, introduce cutting-edge technologies, and make a transition to our new digital platform in various business segments, including hydrocarbon production and processing. Operating in one of the most remote locations with an extremely harsh climate, we have passed all the difficult tests with flying colours, achieving excellent performance along the way.

Our people have always demonstrated a team spirit and professionalism dealing with various challenges and coping with difficult issues while facing a tough economic environment. I believe that oil and gas workers' dedication, confidence and focus on results will bring us to new frontiers in the global energy market.

I would like to thank our employees, contractors and the entire professional community for their diligent work and warmly congratulate all of you on our professional holiday, Oil and Gas Industry Workers' Day. May you and your families enjoy sound health and good fortune!

Roman Dashkov, Chief Executive Officer

#### Read in the issue

#### **Shutdown for Growth**

In the summer Sakhalin Energy conducted the largest integrated shutdown in its history. The most important event for the company was marked by unique activities and new achievements

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### This Freedom of Action is Worth a Lot!

Excellent performance can be achieved through quite simple things, Alexander Sheykin, Sakhalin Energy's HR Director, thinks. In his interview, he talks about company strategies in getting Sakhalin Energy's staff highly motivated

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#### **Soaring to New Heights**

Sakhalin Energy continues the corporate championship "The Peak". The intensity of the struggle between the teams is growing, and participants in the "ascent" are more actively trying to get ahead. How? Of course, by getting new points!

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"Where the untrained eye sees two plus two, we will find the third, or even the fourth, and the fifth elements and explain why it is equal to seven," — the hero of our traditional column talks about translator profession.

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#### **Childhood Happiness Index**

How to evaluate the effectiveness of the programme Happy Holidays 2021? The goal was simple and straightforward: to make children happy. But how is this to be measured? Irina Nemykina, Lead Specialist of Sakhalin Energy Social Benefits and Guarantees Section, will help you find answers to these questions.

our children...... 15

employees
awarded in honor
of the Oil and Gas
Workers' Day
details on pages 4-5

#### **CURRENT EVENTS**

#### 3 August

"The Power of Traditions" exhibition project started in Yuzhno-Sakhalinsk, describing the role of plants in life of the Nivkhs. The project was initiated by Sakhalin Energy

#### 14 August

Sakhalin Energy conducted bird rescue training for participants of the OstroVa All-Russian Youth Forum

#### 19 August

Emotion management Is life management webinar was held under the corporate championship "The Peak"

#### 25 August

The submission of works for the annual photography competition The World Through a Lens has completed in Sakhalin Energy

#### 2 / August

The final session of summer leisure programme Happy Holidays 2021 for company employees' children has been closed

planned shutdown - 2021 Pit Stop on Sakhalin-2 Track

# Shutdown for the Sake of Growth

Sakhalin Energy has completed a major scheduled shutdown of its gas infrastructure facilities – the largest in scale in the history of the company. About 3,000 technical specialists completed approximately 1,600 work orders and worked more than 1.2 million man-hours without a single lost time incident. These are unprecedented figures compared to the indicators for the previous years. The technical operations performed at the company's production facilities were by far more impressive.

#### **ROMAN DASHKOV, CHIEF EXECUTIVE OFFICER**

"Everyone involved in the major turnaround campaign have worked as an efficient and professional team focused on delivering results that are vital for the company. I am confident that, having completed a number of key activities, Sakhalin Energy is now capable of sustaining reliable operations in the long term. As we face increasing competition in the energy market, this becomes a matter of utmost importance."



#### LUN-A

The numerous tasks successfully completed at the Lunskoye-A (LUN-A) offshore platform, the very first link in the gas supply chain, included the repair of a thirty-inch (more than the height of a grown-up person) shut-off valve on the train 1 export pipe. This equipment is designed to stop the transportation of hydrocarbons to the onshore processing facility (OPF) in case of emergency. In other words, it plays an important role in ensuring industrial safety.

The repair operations included a complete disassembly of the valve, the replacement of the main components, and a modification of the internal configuration of the valve inserts to create two barriers on the side nearest to the pipeline. To open the valve and replace parts of the equipment, we had to isolate it from the pipeline under pressure.

There are several technologies in the world that make it possible to perform such an operation. The company chose the most reliable method: the installation of a remotely



Installation of a remotely controlled isolation device Remote Techno Plug at the Lunskoye-A



Offshore gas production platform LUN-A

controlled isolation device, which saves the trouble of completely bleeding the pressure in the pipeline. The use of the device minimises

As part of the shutdown, a number of some other complex operations were performed at the platform, for example, the replacement of two large-sized valves, the inspection and cleaning of a three-phase separator.

All equipment was first tested for operability and safety. It was put into operation only after we had received the necessary confirmation.

In fact, it was the most large-scale shutdown that the LUN-A platform had ever seen. It had taken us two years to prepare for the turnaround. Thanks to the thorough preparation, it was able to complete the work on time and in compliance with all safety requirements.

#### **OPF AND OPFC**

The replacement of two 80-metre flare tips was another operation successfully completed at the OPF during the shutdown. The technical operation was carried out at a height, using a crane and with the support of industrial climbers. Previously, the actions had been practised on the ground, using a specially designed imitation flare unit. Mandatory rescue drills had been conducted with special dummies. The flare platform itself had been tested for strength and capability to withstand excess weight (which exceeded the real load on the platform during the actual operations).

In addition, construction and installation works were completed at the connection point of booster compressor station to the OPF. In the future, this will allow to quickly carry out the systemic commissioning of OPFC.

#### **BS-2**

Another technically complex operation — the replacement of a giant thirty-inch valve weighing 10 tonnes — was completed at BS-2.

The valve is one of the critical elements that ensure the safety of the Trans-Sakhalin pipeline system. It acts as a shutdown valve that cuts off the flow of hydrocarbons if necessary.

In addition, the BS-2 fire and gas detection system was upgraded during the shutdown. The replacement of outdated equipment has increased the protection of the production facility.

#### PRIGORODNOYE PRODUCTION COMPLEX

The upgrade of the control system, the alarm system, the interlocks, and the emergency protection system has enhanced the safety and efficiency of the final link of the gas chain — the Prigorodnoye production complex. Cutting-edge technologies and IT solutions helped to increase the automation level of the system and the speed of notification about possible emergencies.

At the LNG plant, the tip of one of four flare stacks was replaced for the first time since the plant's start-up in 2009. The operation was arranged so that it was not necessary to climb to a height of 125 metres — step by step the flare tip was lowered down the guide rails of the main frame, and then, after the replacement, was raised and put in place.

Another important part of the shutdown was mechanical work to overhaul and upgrade the axial compressor of the Prigorodnoye asset's mixed refrigerant compression unit. The compressor, one of the heaviest pieces of equipment at the project (the total weight of the parts to be removed,

serviced and re-installed is about 95 tonnes), is used to pressurise and circulate the mixed refrigerant in the natural gas liquefaction cycle.

The attention of federal and regional media, however, was focused on the replacement of two of the four loading arms at LNG jetty. It was the first time ever that such large-scale lifting operations had been performed in Russia.

They were carried out with the participation of the Pijlgracht, a specialised vessel equipped with two main cranes with a lifting capacity of up to 700 tonnes each. One of the cranes was used to dismantle the old loading arms with a height of 22 metres and a weight of 77 tonnes. It is unbelievable that the specialists operating the equipment from such a distance managed to align the bolt holes of

the flange connections, which are only several centimetres in size! This achievement was accompanied with another one — the unique operations were completed ahead of schedule. Together they made up a remarkable success.

#### PREPARATION IS THE KEY TO SUCCESS

The comprehensive scheduled shutdown of 2021 was preceded by extensive preparatory work. The preparations were made taking into account the challenges of the COVID-19 pandemic, and included practising various development scenarios.

During the shutdown, the most advanced technologies, including remote video assistance systems, were used. This made it possible to perform highly complex repair operations with the online participation of specialists from foreign manufacturing

companies. The number of representatives of foreign manufacturers who were physically present at Sakhalin Energy facilities was minimal (5% of the total personnel engaged).

All in all, Sakhalin Energy achieved all the key objectives of the summer turnaround campaign. On the one hand, this will enable the company to reduce operating costs and devote more time to planning maintenance operations. Also it will provide opportunities for increasing capacity and, in particular, LNG production.

In future, the entire integrated Sakhalin-2 gas chain will be transferred to a four-year maintenance cycle. Starting from 2023, each process train will be shut down once every two years.

Pavel Ryabchikov



 $Replacement\ of\ two\ loading\ arms\ at\ LNG\ jetty$ 



 $The \ new\ 77-tonnes\ loading\ arms\ were\ manufactured\ by\ the\ Japanese\ company\ TB\ Global\ Technologies\ Ltd$ 



Replacement of flare tips at the OPF



Replacement of the tip of one flare stacks at the LNG plant, Prigorodnoye production complex



The Amur River LNG carrier has departed from the port of Prigorodnoye with the first LNG cargo loaded after the Sakhalin-2 integrated gas system major turnaround campaign

# Congratulations!

board of heroes

В честь Дня работников нефтяной и газовой промышленности 69 сотрудников компании награждены благодарственными письмами и почетными грамотами. Поздравляем коллег!

ПОЧЕТНАЯ ГРАМОТА МИНИСТЕРСТВА ЭНЕРГЕТИКИ РОССИЙСКОЙ ФЕДЕРАЦИИ / MINISTRY OF ENERGY OF RUSSIAN FEDERATION CERTIFICATE OF HONOUR



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Олег Стрельников, производственный директорат Oleg Strelnikov, Production Directorate



**Игорь Зиновенко,** аппарат управления **Igor Zinovenko,** CEO Directorate

On the Oil and Gas Workers' Day 69 employees of Sakhalin Energy were awarded with honorary mentions and certificates of honour. Congratulations!

БЛАГОДАРНОСТЬ МИНИСТЕРСТВА ЭНЕРГЕТИКИ РОССИЙСКОЙ ФЕДЕРАЦИИ / MINISTRY OF ENERGY OF RUSSIAN FEDERATION HONORARY MENTION



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Сергей Карполь, производственный директорат Sergey Karpol, Production Directorate



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**Цой Сун Хёк,** производственный директорат **Tsoy Sun Hyok,** Production Directorate



**Наталья Белобржеская,** производственный директорат **Natalya Belobrzheskaya,** Production Directorate

### ПОЧЕТНАЯ ГРАМОТА МИНЭКОНОМРАЗВИТИЯ САХАЛИНСКОЙ ОБЛАСТИ / MINISTRY OF ECONOMIC DEVELOPMENT OF SAKHALIN OBLAST CERTIFICATE OF HONOUR



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**Мария Андреева,** кадровый директорат **Maria Andreeva,** HR Directorate

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Дмитрий Пантелеев, производственный директорат Dmitriy Panteleev, Production Directorate



Евгений Олейник, производственный директорат Evgeny Oleynik, Production Directorate



Павел Дерябин, производственный директорат Pavel Deryabin, Production Directorate



Марк Колдышев, производственный директорат Mark Koldyshev, Production Directorate



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#### БЛАГОДАРНОСТЬ КОМПАНИИ «CAXAЛИН ЭНЕРДЖИ» / SAKHALIN ENERGY HONORARY MENTION



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### This Freedom of Action is Worth a Lot!

Can a company be the best place to work for its employees, motivating them not only to work hard to achieve top results, but also to stay with this company as long as possible? The answer is ves. and it is backed by statistical data. The companies that demonstrate outstanding performance have the highest number of engaged employees, i. e. those who view company objectives as their personal ones. Alexander Sheykin, Sakhalin Energy's HR Director, talks about company strategies in getting its employees highly motivated.



- Alexander Viktorovich, we have recently been witnessing fierce competition among employers for highly qualified personnel. For many professionals, remuneration does not matter as much as a company's reputation as an employer of choice. How does Sakhalin Energy fare in this department?
- Our company is one of Russia's fuel and energy sector's top five employers, and rightfully so since we take systematic efforts to achieve greater personnel engagement.

But external appeal will always be akin to a Potemkin village if it is not backed up by employees' willingness to stay with us rather than looking for another place to work. In the last pre-COVID year, 2019, our employee engagement rate was 86%. These peopled were proud to work for Sakhalin Energy. This rate is typical of companies that go to great lengths to ensure their employees realise they are making a personal contribution to both their own success and to the success of their company. In view of this, we look forward to the results of the upcoming people opinion survey that will commence in early September. The survey will show us how much the rate will have changed over the past two extremely challenging years. After all, engagement is nothing more than a matter of perception, and what makes a company a better place to work is the way its own employees feel about it.

In any case, I am confident that our people are still willing to go an extra mile to make their company grow, achieving top-notch performance along the way. I am also certain that they would recommend Sakhalin Energy as an employer of choice to their friends. For me, this internal recognition is quite precious and can hardly be overstated. Personally, I am also very proud of the wonderful Sakhalin page on my resume. It is with great pleasure that I re-attach my Sakhalin Energy lapel pin as I put on a different suit.

- This sounds inspiring. But surely the company has a whole lot of tools to inspire its personnel?
- In these turbulent times, we are really proud of the fact that, unlike many other companies in the oil and gas sector, we did not lay off our team members, which was often the case with our competitors. Even during this challenging period, with the pandemic impacting all business sectors and activities, Sakhalin Energy has been doing its utmost to ensure that each employee has confidence about their future. Our Employee Value Proposition stays strong both in terms of salaries and in terms of benefits. Despite the rather tough economic environment, the company increased salaries for all its staff in 2021 while maintaining opportunities for training and career development. As a result, more than 150 employees have been promoted this year.

As a cherry on top, the company recently won the Russian Union of Industrialists

Today, we can say with confidence that our people have built up sufficient expertise to not only operate our assets but also, if required, perform complex repairs on state-of-the-art, often unique, equipment.

No-one says this is easy. It is indeed a challenge that requires tremendous effort from person steps out of their comfort zone.

- And in this case, does the COVID-19 pandemic act as some kind of catalyst?
- We are living in challenging times. Let's be honest, we have had to tighten our belts in certain areas. This time of change demands, first and foremost, that people demonstrate greater personal responsibility in order for everyone to achieve a shared goal. I am happy that in recent years, a constellation of young, ambitious, energetic, highly professional lead-

the entire Sakhalin Energy team. There is no chance that someone will languish in our company. Speaking of challenges, it is worth noting that development occurs only when a

We intend not only to keep the bar high as one of Russia's best employers, but also try to go above and beyond despite the growing competition. That is why I would like to urge all our direct hire employees to participate in a short survey which is being conducted by Head-Hunter, the largest Russian online recruitment company. The survey will be active through 30 September and will take no more than a minute to complete.

and Entrepreneurs competition in the HR category. This recognition at the federal level undoubtedly confirms that Sakhalin Energy's strategy is focused on effective HR management in line with best international practices.

- Does that include our shareholders' practices? How did you manage to harmonise those with specific local practices and regulations?
- Shell Group standards and practices were the original foundation for Sakhalin Energy's HR activities. I can confirm that these are the very best international practices, and this is not an exaggeration.

Naturally, any international experience can only be applied subject to strict compliance with Russian labour laws and regulations. Through the joint efforts of all our shareholders, we have been tackling the important task of staff Russification, i. e. transferring experience and expertise from our expatriate colleagues to Russian nationals. Dozens of our employees have already been appointed to key positions at Sakhalin Energy's assets and within its structural units. With the support from our shareholders and strong involvement of the Chief Executive Officer, the company has launched one of its most important HR projects to develop Russian specialists for top managerial positions at the LNG plant.

ers have risen. They are ready not only to undertake new projects, but also to take personal responsibility for their successful implementation. Wherever possible, we focus on the development and career growth of our own talent rather than on recruiting outsiders. This is an approach widely used by Gazprom, our majority shareholder.

Development of local Sakhalin personnel is also on our agenda. In this regard, I would like to mention that we have recently recruited twenty trainees at our Technical Training Centre. The latter can fully meet the company's needs for skilled discipline workers.

2021 has been a turning point for HR, not only in Sakhalin Energy, but perhaps across all Russian and international companies. It is becoming increasingly clear that we will never go back to the approaches that we used in the pre-COVID period. We still have to answer the

question "What solutions will adequately address the challenges of the new business reality?", and we will have to do it ourselves.

- Can you tell us what has already been done in this regard?
- Every challenge is an opportunity. Since the pandemic started, we got rid of outdated tools, revised many processes, and started to implement new ones more actively. For example, automation and digitalisation offer us

#### spotlight interview

unique opportunities to improve efficiency across a wide range of activities. We see many organisational units rallying around their leaders and acting as a united team. Despite the highly competitive labour market in the LNG industry, the attrition rate in 2021 has been lower than in the previous year.

We have introduced a number of new ways of doing work that have been well received by employees – in particular, teleworking. We are now running a pilot project to transition employees to a hybrid work format on a permanent basis. I believe this will be a very welcome addition to the Employee Value Proposition, as it would give employees the opportunity to use their time in a more flexible way.

The online training model has proven to be an effective way to keep offering staff development opportunities in a pandemic environment. To date, around 55% of all training activities have been conducted as online courses and webinars. Of course, not everything can be done digitally. Some activities are subject to regulatory restrictions, others require in-person attendance due to their focus on handson training. However, I do believe that in the foreseeable future we will increasingly go online using virtual and augmented reality. That is the current trend.

- Companies focused on the long run cannot survive without proper succession and continuity. How relevant is this to Sakhalin **Energy?**
- We are still facing new challenges, which include, among other things, growth projects, such as OPFC and further exploration and development at Piltun-Astokhskoye and Lunskoye fields. These long-term plans require highly skilled people who want to grow professionally.

We have a programme in place which offers professional development opportunities to Russian employees. Under this programme, we have also established a succession matrix, with a number of successors being developed to eventually take key company positions. After all, someone who has gone all the way from a novice to a real star will realise that their professional development is directly linked to their current place of work. The example of such employees incentivises newcomers to grow with the company and enhances Sakhalin Energy's prestige on the labour market.

Naturally, we intend not only to keep the bar high as one of Russia's best employers, but also try to go above and beyond despite growing competition. That is why I would like to urge all our direct hire employees to participate in a short survey which is being conducted by HeadHunter, the largest Russian online recruitment company. The survey will be active through 30 September and will take no more than a minute to complete.

It is important to realise that excellent performance can be achieved through quite simple things. Our unique corporate culture offers our employees the opportunity to expand their boundaries, widen their scope, and take initiative. This freedom of action is worth a lot!

Interview by Marina Semitko



### Russian Pioneer

The construction of the Dmitry Mendeleev, the country's first bunkering tanker for refuelling cargo and passenger vessels with liquefied natural gas, has recently been completed in Russia.

At the final vessel construction stage, the scope of work included testing of the vessel's gas and cryogenic equipment, loading systems, pumps and compressors for LNG storage and offloading. The vessel will shortly sail to the Baltic Sea to the place of its permanent work.

The bunkering tanker, named after the great Russian chemist Dmitry Mendeleev, will provide ship-to-ship\* LNG transportation and refuelling services in the ports of the Gulf of Finland and the Baltic Sea — in St. Petersburg, Ust-Luga, Primorsk, Kaliningrad and Vyborg.



#### <u>event</u>

Anatoly Cherner, Deputy Chairman of the Gazprom Neft Management Board, said: "In the medium term, liquefied natural gas will play a key role in the decarbonisation of maritime transport. Due to its high environmental and operational characteristics, LNG can occupy a significant share in the structure of sales of marine fuels in international shipping. Having successfully implemented Russia's first project for the construction of an LNG bunkering vessel, Gazprom Neft has, in fact, created from scratch a marine gas motor fuel market segment, which has not existed in the country before. This year we are going to start commercial operations with LNG in the Baltic region."

The vessel is 100 metres long and 19 metres wide and has a carrying capacity of up to 5,800 m³ of cargo. The reinforced Arc4 Ice Class hull allows it to pass through first-year ice of up to 0.8 metres. The advanced shipbuilding and LNG transportation technologies, with consideration of advanced environmental requirements for sea transport and natural gas vehicle (NGV) refuelling processes, have been implemented in the project.

Using natural gas as a fuel for its power plant, the Dmitry Mendeleev can safely be called an environmentally friendly vessel. The LNG bunkering equipment conforms with the requirements of the International MARPOL convention\*\* and has been certified according to the ECO-S environmental standard. The digital integrated control system installed on the vessel makes it possible for it to be operated by only one person from the navigational bridge.

- \* Ship-to-ship a method of refuelling ships from a specialised bunkering vessel. The technology makes it possible to bunker vessels at the berth or in the roadstead in ports.
- \*\* MARPOL is the international convention for the prevention of water area pollution by ships. Amendments to the original text of the convention, which regulate the sulphur content in marine fuel used on vessels crossing the SECA zones (navigation zones that include the Baltic Sea, the North Sea and the English Channel, where vessels are obliged to switch to low sulphur fuels), came into force at the beginning of 2015. Since 01 January 2020, the MARPOL requirements that prohibit the use of fuels with a sulphur content of more than 0.5% have been applied in the entire territory of international shipping.

#### continuous improvement



# Going in The Same Vein!

The internal Lean Production programme\* aimed at improving business processes and instilling "lean thinking" in employees has been implemented on the initiative of TD management since 2010.



Left to right: Konstantin Troyanov, Roman Koryakin, Ekaterina Govorkova, Ruslan Oblekov

This approach allows the business units and the company as a whole to achieve sustainable performance and remain steady in an increasingly competitive environment. The objective of the programme initiatives is to save time, reduce costs, introduce innovations, and apply best industry practices.

We regularly evaluate the outcomes of the initiatives that had been implement, and the authors of the most successful initiatives are rewarded by TD management. The winning projects are qualified for the final and compete for the Best Business Improvement Initiative at the end of each year.

Eighteen completed initiatives competed in the first round of evaluation with two of them getting to the finals:

### FIT FOR PURPOSE METALLURGY SELECTION FOR PAB AND PAA ERD FLOATED LINERS

One of the ERD wells required a change to the standard PA-B casing design to a casing architecture for the longer outstep. A similar design is used to tie-back liners in ERD wells on the LUN-A, but PA-B metallurgy requirements for the 9 5/8" liner are less stringent than for LUN-A wells. In this regard, the project participants identified a cost saving opportunity to add a fit for purpose metallurgy high torque liner to the OCTG contract. They are expected to be used in ERD wells on PA-B and PA-A. Joint initiative developed by employees of Well Design, Construction and Maintenance Department, Field Development Department, TD Business Support Department.

#### **ASTOKH WELLS COMPLETION OPTIMISATION - OPEN HOLE GRAVEL PACKING**

The team chose a simpler, yet reliable and cost-effective technology to run filters in an open hole as a new solution for production wells completion with sand control. The key benefit of this option is that this provides for a higher performance and lower cost, as compared to the traditional one. The authors of the project are representatives of Well Design, Construction and Maintenance Department, Field Development Department.

The management of the Technical Directorate would like to congratulate the winners and express gratitude to all those participating in the internal Business Improvement Programme!

Ekaterina Govorkova

\*Lean Production is a concept of enterprise management based on constant striving to avoid any type of loss. Lean Production assumes engaging every single employee in the process of business optimisation and maximum focus on the customers.

<u>corporate culture</u>:

### **Business Ethics** Compass

French philosopher Blaise Pascal once made an ironic remark: 'All the rules of decent behaviour have long been known. It's only a matter of knowing how to put them to good use.' To do that, you may want to refer to two of Sakhalin Energy's foundational documents supplementing the Code of Conduct. Viktoria Stryapunina, Lead Ethics and Compliance specialist, provides the details.

#### - Viktoria, your department has done a big job of reviewing the Business Ethics policies and procedures. What was the emphasis on?

- In July, we issued a new revision of the Conflict of Interest Procedure which addresses how to identify, record and manage a wide range of issues relating to conflicts of interest. We also issued a new revision of the Anti-Bribery and Corruption Procedure, which provides the framework of corporate behaviour, specifies actions and responsibilities to mitigate the risk of violations of anti-bribery and corruption legislation and business ethics, and makes the Company's operations more transparent.

The procedures include important mandatory actions that must be followed, but we do not treat these procedures as merely a hard-and-fast set of rules. We aim to create a tool, a moral compass that helps you find your bearings in difficult situations.

#### - Why did you need such a documentary revamp? Is it because the legacy solutions have become outdated, or some new tools have emerged?

- It was not me who came up with the saying 'Times change and we with time'. Our Company is committed to growth and development, hence the focus on keeping our business as well as our management documentation in line with the latest trends and the highest standards. Before proceeding with the update, an internal review of the Company's anti-bribery and corruption practices was conducted. It identified a number of opportunities for improvement and clarification. The culture of business ethics is actively evolving. Major players in the industry constantly develop and strengthen their corporate security measures, while raising the awareness and accountability of their staff. Our Ethics and Compliance team had a close look at changes to the legislation as well as the global experience in managing conflicts of interest and bribery and corruption risk.

#### — So what's in it for the Company?

You referred to the revision of documents as a documentary revamp. But this work contributes to real change in behaviour. For example, updates to the procedures will help employees to accurately identify conflicts of interest, determine their type, and take appropriate action to eliminate or minimize their impact; clearer definitions for some critical terms, and updated gift and hospitality registration requirements should make the procedures easier to understand and apply and provide greater transparency.

#### Of course, if you're given a diamond bracelet or a trip to the Maldives it would be an obvious cause for concern. What other cases might raise concerns?

 There are many such cases. For example, an invitation from a contractor to attend a dinner or social event at the same



Picture source: ontinentalmessage.com

time as a tender is being prepared raises significant risks. Hosting a dinner as a gesture of gratitude to a contractor for exceeding our expectations in delivering a contract, completing all the work within a shorter time frame, or receiving excellent feedback is less risky but should still be assessed thoroughly.

Other examples that raise concerns are employees who have relatives working for a contractor, and potential conflicts of interest between spouses working for the Company. It often happens that spouses, who work in different directorates and have no apparent connections or overlaps with regard to their responsibilities and management, do not realize that such a potential conflict must also be registered so that appropriate steps can be taken to ensure an actual conflict is avoided.

#### — What else needed to be changed?

- The scope of responsibilities of line managers and employees has been revisited to emphasize the importance of handling conflicts of interest in a timely manner, working out remedial actions, and recording this in the Conflict of Interest Register. Furthermore, we have formalized the roles of employees from different departments within the ABC risk management framework. Those examples do not cover the whole list of changes adopted in the latest revisions of the documents but they are all meant to help employees to better understand their responsibilities and be more mindful when performing their job duties, as well as to ensure a robust level of corporate security.

#### - Where can I find the new revisions of the documents?

- You can find them on the Ethics & Compliance intranet page under the Policies and Procedures section. It is important to understand that observance of these procedures is mandatory for all Sakhalin Energy employees, including secondees and indirect hires. We encourage all of our colleagues to read the updated procedures. The Ethics and Compliance team are always willing to answer any questions from their colleagues, give clarifications on the application of the Code of Conduct and related procedures, and provide support whenever there is an issue directly or indirectly related to business ethics. We are open to communication and are happy that our fellow workers have begun to frequently approach us for explanations, a trend we would like to continue going forward.

**Russian content** 

### In the Trend of Proactive Import Substitution

Last month St. Petersburg hosted the annual Import Substitution and Technological Development of the Fuel and Energy Sector conference. Sakhalin Energy was represented by Dmitry Dubik and Natalya Frizyuk, specialists of the Supply Chain Management Department.

The conference has already become a traditional event for everyone who is interested in the topic of localisation and development of domestic technologies in the fuel and energy sector. The forum is regularly attended by the heads of specialised units of the leading Russian oil and gas and energy companies, dealing with issues related to import substitution, manufacturers of oil and gas equipment, developers of IT technologies, as well as leading industry consultants, analysts, and government officials.

At this year's conference, presentations were made by experts from Gazprom, Gazprom Neft, LUKOIL, SIBUR, Rosneft, VYGON Consulting, Severstal Management, the Arctic Initiatives Centre, the Skolkovo Foundation, and many other companies and organisations. The business agenda included round tables, discussion panels, and two tours: a tour of Zifergauz, Gazprom Neft Digital Transformation Centre, and a tour of Saint Petersburg Mining University.

The conference was organised by the National Oil and Gas Forum with the support of the Ministry of Energy of the Russian Federation, the Ministry of Industry and Trade of the Russian Federation, the Chamber of Commerce and Industry of the Russian Federation, and the Russian Union of Industrialists and Entrepreneurs.

For two days, the conference participants discussed topical issues of the country's fuel and energy sector, in particular, technological leadership and new growth points, import substitution in a digital format and in the context of energy transition, industrial partnerships, and commercialisation of projects. A special focus in the conference agenda was made on the achievements of individual companies in the field of import substitution and production localisation.



Schlumberger, ITR Plant, Sterlitamak Catalyst Plant and the INCOMSYSTEM Research and Engineering Centre shared their successes with representatives of other companies.

Another interesting event was the Development of Testing Equipment and Technologies in the Russian Federation as a Key Factor of Proactive Import Substitutions round table. The round table participants were presented a report on the concept of a single operator of test sites, and information on the activities of the Institute for Initiatives in Oil and Gas Technologies. This autonomous non-profit organisation brings together oil and gas, petrochemical, engineering companies and equipment manufacturers to work on industry standards and create a voluntary certification system.

In conclusion, the participants of the event commented on its excellent organisation and agreed on the urgent need for the comprehensive development of Russian technological independence, import substitution and an increase in export

Head of Russian Content Development and Supplier Relationship Team Dmitry Dubik pointed out: "It is very important for us to take part in this kind of conferences, because every time we learn something new, both in terms of individual Russian manufacturers' capabilities and in terms of the general import substitution strategy of the industry."

#### <u>human rights</u>

### Voting Together



Have you already thought about where you will go on the Single Voting Day to make your choice? Most of us know the answer to this question. It's more difficult for those who will be working shifts that day.

During the elections to the State Duma of the Federal Assembly the Company will ensure voting conditions for all those who are on duty or undergo observation at TAFs and isolation wards on those days.

Some employees at remote production facilities will not only be able to vote but will also become members of the polling station commissions. These volunteers will receive all necessary instructions and will help organise the voting process for their colleagues.

It will be more difficult at TAFs and isolation wards, where non-contact voting will be organised in strict compliance with the anti-epidemic conditions and regulations agreed with the

Sakhalin Oblast Department of Rospotrebnadzor.

If you have any questions related to the voting, please contact Sergey Manchilin, Lead Specialist of the Corporate Events and Government Relations Subdivision by phone +7 (4242) 66 2457 or +7 914 759 4113.

Another useful link is a banner on the company's Intranet site. It will take you to a page where you can find all details of the procedure, dates and time for early voting at the company's ■ Interview by Elena Gurshal • facilities, and other useful information.

#### analytics

# Development Potential of Hydrogen Economy

Hydrogen, most abundant in the universe, is the lightest element found on the periodic table. That's why it is placed first there.



Picture source: energosmi.ru

The release of this combustible gas during the interaction of metals and acids was observed as early as in the 16th century. In 1783, Antoine Lavoisier, a French chemist, synthesised water and suggested that "combustible air" is not only part of water, but can also be obtained from it. He gave this gas the name hydrog ne, referring to the ancient Greek phrase "water former". The Russian-speaking community came up with the similar name, hydrogen.

This gas is found not only in water and hydrocarbons, but also in other essential compounds, including carbohydrates, lipids, proteins, and nucleic acids. Therefore, along with oxygen and carbon, it proves to be the functional and structural basis of life. Moreover, it is the combustion of hydrogen in the sun that ensures the release of solar energy, essential to us.

Hydrogen is used extensively in oil refining and chemical sector, metal, food, and other industries. It is even used as a rocket fuel. The energy density of this unique gas is several times higher than the one of conventional energy sources. Its combustion gives you only water, which can be again broken down into oxygen and hydrogen.

Hydrogen economy is considered to be an alternative pathway, however, its potential for this key global industry has been known for a long time. This gas can be used for collection, storage and delivery of energy, offering a promising energy carrier and a tool to develop low-carbon economy and mitigate anthropogenic climate change. Hydrogen is well-known for the variety of sources, high energy density and zero carbon emissions when used as an energy carrier.

There is an increasing interest in hydrogen economy, especially in connection with oil crises and growing global concerns about climate change. A number of research and development projects, mainly for the transport industry, were undertaken, but they did not lead to large-scale hands-on implementation of

hydrogen technologies. This was due to many challenges, first of all, storage and transportation, high energy consumption and high production cost of hydrogen, as well as explosion and fire hazard.

Industrial hydrogen can be produced by various methods — from fossil fuels (natural gas and coal) to electrolysis of water. Whatever the production method, hydrogen is basically classified as follows:

- ✓ "green" hydrogen (zero-carbon) comes from electrolysis\* with the use of renewable energy sources.
- ✓ "yellow" hydrogen (zero-carbon) comes from electrolysis with the use of nuclear power stations.
- ✓ "turquoise" hydrogen (low-carbon) comes from natural gas (methane) pyrolysis\*\*;
- ✓ "blue" hydrogen (medium-carbon) comes from steam methane or coal reforming with carbon capture and storage.
- ✓ "grey" hydrogen (high-carbon) comes from steam methane reforming with carbon emission.
- ✓ "brown" hydrogen (high-carbon) comes from coal gasification or steam reforming.

With the growing number of countries moving towards sustainable energy, changing energy demand and zero-carbon transition (there is a realisation that renewable sources won't be enough), there are increasingly more hydrogen economy development strategies and roadmaps.

On 5 August 2021, the Government of the Russian Federation approved the Concept for the Development of Hydrogen Economy in Russia (hereinafter—the Concept). It has been developed following the first item of the Roadmap for Development of Hydrogen Economy in the Russian Federation until 2024.

The Concept completes and specifies the Energy Strategy of the Russian Federation until 2035 (more details in the August issue of the Vesti), and sets out the goals, tasks, initiatives

and key measures for the development of hydrogen economy in Russia for the mid-term period until 2024, the long-term period until 2035, as well as milestones until 2050.

The Concept's strategic goals include unlocking the national potential to produce, export, and use hydrogen and industrial products for hydrogen economy and making the Russian Federation one of the world leaders in production and export, ensuring the competitiveness of the Russian economy in the context of the global energy transition.

Following the Concept, the current annual world demand for hydrogen is estimated at 116 million tonnes. Conventional industries (oil refining and chemical industry) account for over 95% of the world consumption. However, they meet their own needs by producing hydrogen at specialised plants right where it is consumed. Seventy-five percent of the world's pure hydrogen production come from natural gas, while the rest of the volume — from coal (23%). Electrolysis can account for 2% of global hydrogen production.

Currently, there is no global market of hydrogen as an energy carrier, but it can be created by developing technologies and scaling up hydrogen economy. Depending on emerging technologies, this market can be both global, with large-scale transportation of hydrogen from production to consumption centres (similar to oil and liquefied natural gas markets), and local, where production and consumption are focused within the same countries or small regions.

The Concept states that the development scenarios for the global hydrogen economy and the global hydrogen market are subject to a high degree of uncertainty, a wide range of estimates, economic and political considerations. National development programmes of Europe, Asia and Pacific and the USA can demand additional 40–170 million tonnes of hydrogen per year by 2050, depending on how

The Concept assumes the development of hydrogen economy in Russia in three stages.

The first stage (2021–2024) includes setting up hydrogen clusters (Northwestern, Arctic and Eastern), implementing pilot projects to achieve export volumes of up to 0.2 million tonnes by 2024, and use of the corresponding energy carriers in the domestic market. A scientific and technological network of research and engineering centres and testing grounds is expected to facilitate the development of national technologies and hydrogen economy. These facilities will be responsible for the development and commercialisation of national technologies and industrial hydrogen products.

The second stage (2025–2035) will see the launch of the first commercial hydrogen production projects aiming to reach the export volume of 2 million tonnes in 2035 (the optimistic target is 12 million tonnes). It is planned to set up large export-oriented hydrogen production facilities and to implement pilot projects for its application in Russia using national technologies. According to the Concept, the forecast of the global hydrogen market growth will be confirmed or rejected in this period.

The third stage (2036–2050) implies the large-scale growth of the world hydrogen market. Supply volumes can reach 15 million tonnes by 2050 (the optimistic target is 50 million tonnes). By this time the cost of hydrogen produced from renewable energy sources is expected to be close to the cost of production from fossil materials. This will enable the launch of large-scale projects for the production and export of low-carbon hydrogen produced from renewable energy sources.

fast low-carbon economy and technologies will develop.

Relying on the development scenarios for the global hydrogen market, the Concept provides for covering about 20% of the global demand and establishing

Russia as one of the largest exporters of industrial technologies and equipment for hydrogen production.

"Development of hydrogen economy will reduce the risks of losing energy markets, support economic growth by establishing new production industries and creating high-tech jobs, exporting products and technologies", said Mikhail Mishustin, Chairman of the Russian Government.

The achievement of the Concept's strategic goals should be facilitated by special government support and incentive measures, improvement of the related legal framework, development of human resources and international cooperation.

Thus, the global decarbonisation trend can make hydrogen economy a traditional economy for the world community, without conflicting with hydrocarbon economy, while enabling Russia to take its rightful place in the promising market of "water-forming" gas.

 Prepared by Dmitry Shubny
 Adapted from government.ru, energypolicy.ru, expert.ru

\*The process of using electricity to split substance into elements

\*\*The heating of an organic material in the absence of oxygen



### What You Should Know about Revaccination

Russian officials said revaccination is well on the way. Those who were vaccinated (or recovered from COVID) six months ago are invited to get a booster shot.

Rospotrebnadzor, the national consumer protection watchdog, explained that the vaccine effectiveness can wane over time. Moreover, the "delta" variant of COVID-19, which accounts for seven out of ten cases today, is more contagious and have more severe symptoms for young people. That is why recommendations for the COVID-19 prevention and treatment suggest a booster shot after six months. At the moment, 14 to 29-year-olds are one of the most vulnerable groups. Leading the most active lifestyle, they still remain a threat for a rapid spread of infection. So, we should actively get vaccinated and revaccinated.

Employees get up to three paid days off if they are vaccinated after 19 July 2021. The decision to get vaccinated should be taken given your health condition and your doctor's recommendations. See more information in the Vaccination section and on the COVID-19 page on the internal company website.

Many countries share the same standpoint. In the U.S., for example, they have also announced a revaccination campaign. In Israel, it is already underway: the officials reintroduced green passes, banned the unvaccinated from public places, while encouraging people to have a third booster shot.

#### IS IT REQUIRED TO TEST FOR ANTIBODIES BEFORE THE THIRD SHOT?

Mikhail Murashko, Minister of Health, has underlined that it is not necessary to regularly check antibody levels for that. The U.S. Food and Drug Administration also advises against using tests as a reference when assessing your immunity.

#### WHAT ARE THE RESULTS OF **REVACCINATION?**

Back in April, Denis Logunov, one of the vaccine developers, talked about the booster dose of Sputnik V. "If we give people a booster shot after four to six months (and there have been such cases with both employees and citizens), we receive very good results," he

#### **DOES IT MAKE ANY DIFFERENCE** FOR THE THIRD SHOT WHAT **VACCINE A PERSON GOT FIRST?**

According to Alexander Semyonov, Head of Yekaterinburg Research Institute of Viral Infections "Vector", it doesn't matter,

because all vaccines ensure protection against the same virus in any case. There is little scientific data about how different vaccines play with each other, however, this issue is being studied.

Following the recommendations of the Russian Ministry of Health, any of the vaccines registered in Russia can be used for the booster shot regardless which of them was administered first. If a person develops "severe adverse effects" after the first vaccination, any other vaccine can be used for the booster shot.

#### **WILL THE BOOSTER SHOT BE EFFECTIVE AGAINST NEW COVID VARIANTS?**

This is a major question that has not yet been answered. The new surge of cases in Russia is presumably caused by the Delta variant originating in India. Although vaccines can still protect against it, their effectiveness

gets worse. However, Alexander Gintsburg, Head of Gamaleya National Centre of Epidemiology and Microbiology, claims that Sputnik V remains effective against "all variants known today, from the UK variant to the Delta one".

"Even if revaccination is not very successful, and the protection proves less effective, it will still protect most of those vaccinated," shares Alexander Semyonov. "Those rare individuals who the booster shot fails, will show mild symptoms, and they will certainly not die."

#### IF A PERSON GETS COVID-19 AFTER THE BOOSTER SHOT, WHAT SHOULD THEY DO?

In this case, the deadline is the same: six months, but from the time of recovery. "Even if a person fell ill before the vaccine kicked in, the third shot would just booster the immune response to specific conserved parts of the virus molecules, which is of vital importance," said Alexander Semyonov. "The booster shot would train the immunity."

#### doctor's office

According to corporate Health Section, today over 1,200 of the company's employees have been vaccinated. Most of them opt for four Russian vaccines. Those include Sputnik V (Gam-COVID-Vac) developed by **Gamaleya National Centre of Epidemiology** and Microbiology, EpiVacCorona from the State Research Centre of Virology and Biotechnology VECTOR, Sputnik Lite from Gamaleya Centre, and CoviVac developed by Chumakov Federal Scientific Centre for Research and Development of Immune and **Biological Products.** 

In any case, a person should consult a doctor before making the decision.

Experts highlight that there are no contraindications to the booster shot except for medical exemptions, which should be determined on a case-to-case basis. Oksana Stanevich, an infectious disease physician at the Pavlov First Saint-Petersburg State Medical University, mentions a scientific paper which states that vaccination of those who already have antibodies ensures an accelerated increase of antibodies, and thus neutralise the virus more effectively.

#### **HOW LONG AFTER ILLNESS OR VACCINATION DOES A PERSON NEED** TO HAVE A BOOSTER SHOT?

A protective level of antibodies lasts for an average of six to eight months.

"The booster shot may be recommended for those who have contracted the disease naturally and have not shown any antibodies," says Daria Danilenko, Deputy Director for Science at Smorodintsev Research Institute of Influenza. "Those who recovered from COVID during the first wave back in 2020 and those who haven't yet got it, should be vaccinated first," she says.

#### **HOW DO WE GET READY FOR** THE BOOSTER SHOT AND WHAT RECOMMENDATIONS TO FOLLOW?

Prodeus, MD, allergist immunologist, co-host of the Healthy Life programme, comments: "People without any chronic diseases or special health conditions don't need any special preparation for the booster shot, but it is still better to have a medical check-up." A patient with a chronic illness should see a doctor before the booster

The booster shot, as any other vaccine, can give you a headache, weakness, and fever. "You are likely to feel sore at the injection site," the doctor added. "If the temperature rises above 38 degrees, it's better to take an antipyretic. If you feel unwell for over three days, you should definitely seek medical attention," said Andrey Prodeus. He reminded that for the first few days after the booster shot it's recommended to avoid vigorous exercises, alcohol, and sauna.

Prepared by Elena Gurshal based on materials from RBK, TASS, Rossiyskaya Gazeta and Moskovsky Komsomolets

### COVID-19: RECOMENDATIONS FOR **VACCINATED PERSONS**



site within 24 hours of vaccination.

Do not use a steam bath and do not drink alcohol within 72 hours.



#### **AVOID EXCESSIVE STRAIN**

The glucose deficiency in the body caused by prolonged strenuous physical activity with elements of competition can adversely affect antibody response to vaccination.



Please use personal protective equipment: wear masks, use a sanitizer, keep social distance, avoid crowded places, walk outside more.



#### **EAT RIGHT**

Drink more water and eat high protein, vitamin, and mineral foods.





## THE PEAK! ВЫСОТА! Soaring To New Heights

Sakhalin Energy continues the Peak Corporate Championship. More and more participants of the Peak are looking for ways to become the leader. How exactly? Earning more points, of course.

#### **BECOME "GOLDEN" OR MAKE A VIDEO!**

The perfect opportunity to contribute a lot to their team scoring for all twenty-five teams was participation in the Summer safety day and the Pit stop of the major scheduled shutdown.

Other ways to improve your position in the standings is to become a Golden Person. This also contributes to the overall standings. Some of the teams (there are five of them now) have made 100% of the Golden Persons with the target of 88% set in the scorecard. We wish them to keep this bar high, and others - to catch up with the leaders!

By the way, the Best Professional Life Hack Video contest may help them do that. To participate you have to submit a video for professional development and self-development or for working in the new reality. You can watch the submitted videos on the Company's internal website in the corporate championship section.

#### STEP BY STEP

Moreover, a step counting initiative can bring you closer to the Peak. To take part in it, you should install a pedometer on your mobile phone or use a fitness bracelet and then enter the result on the Peak website. Please remember that you can enter not only your step count, but also the one shown by other team members. You can also convert any physical activity into steps. There are links to converter programmes on the Peak website to help you out. For your convenience, information can be entered on a weekly basis.

But even if you are a walking guru and cover a few dozen kilometres a day, you won't be able to get your team to the top alone. It is important to remember that it is the team score



that counts, i.e., the average value after all the results have been processed. So, silent and slow walkers, your steps are also essential and important!

#### SUPERVISED CLIMBING

If you're a fan of online learning, this is another way to earn points for your team. The e-learning course on workplace hazard management aims to prevent risks of hand injuries, falls, stumbles and slips. The training is available in Russian; the English version will be posted on the Intranet shortly.

And of course, you can earn points participating in webinars,

including those run by specially invited renowned Russian experts. What's important is that even watching the recorded content counts. So, you can't miss out on this opportunity. Follow the news, get back to watching the webinars you missed or liked on the Professionalism and Self-Development page.

Basically, there are many ways to get to the Peak, you just need to find time to use them correctly. The employees in charge can give some practical tips to members of each team. They are happy to help their colleagues on their way to the corporate peaks. Let's develop together!

Pavel Ryabchikov

### Facing The Problem

Remote training (webinars) offers us amazing opportunities that we didn't think of just a few years ago. Time and distance do not really matter anymore.

Sakhalin, and there you are face to face with quality of a leader). one of Russia's best business speakers on HR Moscow Oblast.

In the morning, Maxim Batyrev runs a webinar for us, and in the evening he leaves for a combat tour\* in Abakan. With life going full steam ahead, we have only two options: get stuck in routine and watch it fly by, or "take a challenge" (according to Maxim

Just open a link from your workplace on Batyrev's theory, the second makes the key

We are surrounded by too much and sales management, speaking from the information. We are offered various courses, intellectual marathons, books, articles, information resources, but we cannot do everything. At the same time, not all resources prove to be of high quality, while many of them are just not worth it. Therefore, when this variety gives us a top speaker, who can cover all the most important things about

"We need a goal. And then, another goal. Until there is a goal, you will be bored, lazy, and grumpy in the morning. A person who doesn't see any meaning in what they do turns into a big amoeba. A goal-oriented person will focus on achieving a goal and will be happy in work and life. Everyone has to find the answer to the question, "I live to do... what?" Then we will be full

> Maxim Batyrev, Russian Manager, Laureate of the Electronic Letter and the Runet Book Prize national awards

«ЖИЗНЬ COCTONT ВСЕГО лишь из моментов и больше в ней ничего нет. ПОЭТОМУ ЕСЛИ ВЫ ДЕЛАЕТЕ КАЖДЫЙ момент значимым, она вся наполняется CMPICVOW'>

goal-setting and motivation in just two hours, you should put things aside for a while and get inspired, filled with positivity and motivation and start fresh towards new heights.

How to not get trapped in Groundhog Day, to get out of routine, to make your life exciting and every day filled with meaning, what are the five national sore spots and what is important when raising children, all these questions are answered in the webinar and backed up by striking examples based on experience and humour. Maxim Batyrev had a really interesting, lively presentation.

Anyone who could not watch the live or have not yet seen the recording can watch the webinar by Maxim Batyrev on the Professionalism and Self-Development page of the Peak Corporate Championship.

\* Customised tour with experts to different countries and parts of Russia.

**Year of Science and Technology** 

# Andrey Makarov's Beautiful Mind

Starting the interview with the Head of Sakhalin Energy Translation Subdivision, a Candidate of Sciences in Philology, I asked him the traditional question: "What or who influenced your choice of profession?"

#### ANDREY MAKAROV, HEAD OF THE TRANSLATION SUBDIVISION

Andrey graduated from Kursk State University as a teacher of English and, additionally, German languages. He has defended a Ph.D. thesis titled Dative Relations in Implicit Grammar.



— My love of the profession I have devoted my life to goes back to the time when I was at the tender age of five. I began to study English when I was a pre-schooler. I immediately liked this melodic and rather simple language, maybe because the Latin alphabet has only 26 letters, fewer than in the Russian one (smiles).

In primary school, I heard the songs by The Beatles and Queen (thanks to my father). I am pretty sure that my love of the English language resulted from my passion for English-language songs. Moreover, I regularly participated in English language contests at school and was at the top of my class in this subject. When I was in the ninth grade, I passed my first international exam (City and Guilds International ESOL) and went to the UK on an educational visit. At approximately the same time, I won a regional English language contest and took the fourth place in the first Russian national contest. It was then that I firmly decided to continue studying foreign languages. I applied to Kursk State University in my home city. I graduated as a teacher of English and German languages, but, to be honest, I could not imagine myself as a school teacher.

#### Nevertheless, you decided to write and defend a PhD thesis.

— There is a funny story connected with my thesis. Before entering a postgraduate programme, I was fond of lexicology and phraseology, so I was going to continue research in that area. I must confess, however, that I did not make enough of an effort to get a scientific advisor, so in the end I was advised to request a wonderful person—Vyacheslav Kashkin, Doctor of Philology, Professor of Voronezh State University—to supervise my research (or maybe someone advised him to take me under his wing). He suggested that I change the area of research to implicit grammar. By that time, another young linguist under his leadership had already completed a study of genitive relations (semantic-syntactic relations expressed by the genitive case in the Russian language), so I entered the next stage—research of dative relations (so dative must be my favourite case).

#### $\boldsymbol{-}$ How did your career develop after that?

— Although I received my first certificate of a technical translator when I was still at school and had been freelance translating since my first year at university, I did not give much thought to translation as a career. When I entered the postgraduate programme, I realised that teaching students and sharing my knowledge with them was definitely my cup of tea. At the university, I taught a practical course of English and an introduction to philology for five years, enjoying every moment of it. In total, I taught over a hundred students.

Regrettably, our national economy is arranged in such a way that school teachers and university professors are generally appreciated, but not well-paid. I weighed all pros and cons and decided to drastically change my life. First, I joined a boiler house upgrade and thermal power plant construction project as a translator/interpreter; then I worked at the

Foreign Economic Trade Department of an importing company. My procurement and marketing skills helped me move to category management. At the time, I was pretty sure that I would never resume the career of a teacher or translator. Never say never. In 2015, I started my own

business as an individual entrepreneur and gathered a small team of translators under my umbrella. It was then that my former schoolmate contacted me and recommended me to the Translation Subdivision at Sakhalin Energy.

#### - What is your usual working day like?

— I will try to give a brief description. During the day, my main task is to meet the company's need for high-quality translation and do it promptly. That is why no matter what I do, I always have to keep an eye on the mailbox to monitor requests for translation and interpretation services. The rest of the time is distributed among priority tasks, of which there are legion.

These are development and training projects for young specialists, dealing with customers, contractors, and subdivision personnel, lots of operational issues, and half of them are truly challenging. Throw in regular business meetings and conferences. I've got two computer screens in front of me, one of which is for monitoring the to-do list in real time. As you can see, I usually spend my working day in continuous movement. It may not be physical movement from Point A to Point B, but it is movement anyway—your eyes continuously move over the monitors, your fingers fly over the keyboard and your mind flows from one current task or project to another.

#### — You have painted your daily routine so that I hardly dare ask if there is any space for research in your life. Does your work have anything to do with dative relations? Do you have time to think about them?

— If I were filling out some application form, I would probably write: "I am not engaged in research activities at the moment." As regards your question about "having anything to do with", I will answer without hesitation: "Yes!". First of all, writing scholarly articles and a large amount of analytical work give you considerable experience and help you develop useful competencies. These include careful paperwork, indepth analysis, thoughtfulness, attention to detail. Such "habits" never die.

As concerns the specific features of my research work, the study of implicit grammar allows me to get an entirely new insight into the language, semantics of texts and other units of the language, including syntax. Do you remember A Beautiful Mind—the film about the mathematician John Nash and the play of numbers, letters, symbols, and formulas before his eyes? The same happens when we study the hidden linguistic patterns: we understand how and why words fit together and what the text really means. In cases where the untrained eye can only see one or two components, we find a third, or even a fourth or fifth element, and explain how they combine into one whole.

Contrary to the popular belief, linguistics is, in some way, an exact science. At the same time, language is full of subjective categories. We analyse lexemes, syntaxemes and syntagmas with the scrutiny of mathematicians studying formulas, rack our brains trying to understand why we need to use the definite article or the preposition to in a certain sentence. When interpreting from one language to another, we make decisions like this at the speed of lightning, almost automatically. The main impact of research activity is a profound understanding of the subject matter. I'd like to believe that I have not lost this gift over the years of work beyond science.

#### — Do you think anyone could become a translator or interpreter, or is this career suitable only for a certain type of people with a specific mindset and character?

— It does not take a rocket scientist to translate a text. It's the same as an engineer or a drummer—everyone is able to draw a diagram for cornice installation or beat out a rhythm on a pioneer drum. Anyone can take a dictionary and try to translate a text, and even succeed to some degree. This does not concern literary translators—they are people with an extraordinary creative mindset. Suffice it to mention a few names—Turgenev, Pasternak, Tolkien, Murakami, Akunin. They are great writers and also great translators. A literary translator is actually a co-author of the original text.

As for technical translation, in the past any person with sufficient perseverance, some erudition and skills of working with a dictionary could become a technical translator. Times are changing, and most professions are undergoing transformation. Technical progress—the development of machine translation systems and neural networks—will inevitably lead to changes in the work of a translator. Artificial intelligence is a fast learner, and our task will soon be to further develop it and post-edit machine translation. As regards interpreters, they will be in demand for many years to come—voice translation systems are developing a little more slowly.

To sum it up, great translators have always been extraordinary people. A translator must be patient, attentive, scrupulous, and have analytical skills. An interpreter needs to be responsive, stress-resistant, communicative, physically and mentally resilient. However, both of them are required to have a feel for the language—linguistic abilities that few people can clearly explain.

#### — Will artificial intelligence make the profession of a translator redundant?

— Today, machine translation systems translate texts much better than a mediocre human translator and even slightly better than a pretty good one. This does not mean that they can be put to work instead of people, and the job will be excellently done. Nothing of the kind. Machine translation is far from perfect and must be carefully checked by a machine translation post-editor (a new profession that has recently appeared in our industry). Machines cannot be fully trusted. There are a lot of nuances in written and spoken speech that a lifeless machine cannot possibly recognise. However, as machine translation systems are developed and improved, low-skilled personnel will be driven out of the market and the prestige of the best professionals will grow. This is a natural and inevitable process.

Interpreters, on the other hand, will continue to be in demand and will surely participate in the development of voice translation systems. Have you noticed that we have been using mobile phones that can recognise and translate our speech for about ten years now? To tell the truth, these apps are not very popular so far and their quality is not very high just yet. But I think the days of robotic translators such as C-3PO from Star Wars are not far off. I am not sure we will see such in our lifetime, but who knows... Everything is possible.

Recently I read letters by Pasternak. He wrote about his translations of Shakespeare's and Goethe's works. For him, translation was a way to express himself, to convey his thoughts and feelings that he could not openly express on his own behalf at the time. What about you? Have you tried translating poetry or prose?

— I don't have much experience in literary translation, I am sorry to say. I say "I'm sorry", because this is certainly an exceptionally interesting field of activity. And yet, I believe that there is always room for creativity in our profession, no matter which area you work in—whether you are a literary translator, a translator of judicial or technical texts, or a simultaneous interpreter.

A modern professional translator is a communicator. It's trite, but true to say that a translator does not just translate words, much less letters, from one language to another. When you are translating syntagmas, a text, you always have space for creativity. We do not reflect; we convey information from one communication party to the other in the most efficient way. To do so, we create a "wormhole", input information in one language, process it, and then output it in the recipient's language. Professionals translating literary texts are engaged in exactly the same task, albeit with a greater degree of creativity—they read texts written by authors in one language and present them in another one. A translator is always a creator who decomposes information into component parts and then puts them together.

#### - You have not been living on the island long. Still, how would you continue the phrase "Well, what I can say about Sakhalin is that..."

— The weather is OK on the island. Sometimes it's even hot. There are wonderful strong people here and the world's best company—Sakhalin Energy. Also, the fish and seafood are amazing here. The nature is absolutely fantastic! It is really nice here!

Interview by Elena Gurshal





# Power of Traditions

Residents and guests of the region's centre have been feeling the Power of Traditions for almost a month now. The exhibition project dedicated to the traditional knowledge of the Nivkhs was launched on 3 August at the Literary and Art Museum of the Book of A. P. Chekhov Sakhalin Island. The project was initiated by Sakhalin Energy.





On the opening day, visitors of the exhibition attended a presentation of the book of the same name, published by Sakhalin Energy. As the author of the book, an elder of the ancient Nivkh clan Koyvogun (Larch) Efrosinya Shkalygina said, knowledge about this most important part of the original culture of their people she received from her mother, a famous storyteller and needlewoman Tatyana Ulita. The records, some of which were made back in the 1950s, describe properties of plants and their application by indigenous peoples, mostly for medicinal or ritual purposes.





The collection received from the museums of the region is devoted to the island's flora and demonstrates the important role of various plants in the daily life of Sakhalin ethnic groups. The visitors could admire baskets in different shapes and sizes, a trough and other household items, which are made from plant materials and are used as containers for berries and mushrooms. The exhibition also included a herbarium of medicinal plants with a description of their healing properties,





Daily tours of the exhibition are accompanied by interactive sessions under the guidance of famous Sakhalin craftsmen: Valeria Osipova, Lyudmila Paskit, Olga Sadinova, and others. At one of the sessions, Lead Methodologist of the Sakhalin Regional Museum of Local History Fyodor Mygun taught everyone willing to cut out Nivkh patterns. Under the guidance of the mentor, his students transformed a simple element of a spiral-and-ribbon ornament into a swan, a butterfly, or an endless sea wave... The most curious lovers of the island flora have an opportunity to attend lectures by Sakhalin Energy employees and go on a tour of the botanical garden, which includes elements of a quiz. The events under the project will be held until 6 September inclusive. If you wish to attend any of them, please register in advance by phone 43 65 09.

# Rescue Islands

Sakhalin Energy conducted oiled birds rescue training exercise. This training was special: for the first time ever, the training was received by the participants of the OstroVa (English – Islands) event, the Annual All-Russian Youth Forum.

The federal-scale event brought young men and women from many regions of the country together on Sakhalin who are not indifferent and want to change the region for the better and put socially significant projects in place here.

The training programme was intense. Before moving on to practice, Sakhalin Energy employees told 28 participants of the OstroVa Ecology educational track about the anatomy of birds,

and special focus was placed on non-injurious methods of capturing birds, as well as on safety while working in the field.

The participants of the training applied the acquired knowledge in practice – the next day the sandy beach of Aniva Bay was full of people in protective overalls of snow-white and blue. Here, young people, under the guidance of the company's specialists, tested the technique of working in three









groups. Their tasks included catching oiled birds, their primary stabilization, disposal of "dead" birds and scaring uninjured species away.

When practising the installing the equipment, the young people placed large inflatable balloons on the coast, limiting the area of a simulated oil spill. The black circles on them mimic the eyes of predators, thereby scaring uncontaminated birds away from the scene when in reality. Another deterrent – a Scary Man – was placed by the training participants nearby. The Scary Man (the official name of the device) is a bright inflatable figure that comes into motion and accompanied by light and sound.

"We have never caught birds, hold them, and certainly, have not ever rescued them, so today's training was an unexpected, useful and unique experience for us. There is a reason to think about future employment, because now we know how to behave with birds in a real situation," Svetlana from Yaroslavl and Anna from St. Petersburg shared their impressions.

Although the main focus of the training exercise was on bird rescue, participants can apply the skills to other wild animals on the incident site.

According to Timophei Zvezdov, Head of Sakhalin Energy's Environmental Monitoring and Biodiversity Subdivision, about 400 people have been trained in rescue skills, including company employees and stakeholders over the 16 years of the programme.

"Animals affected by oil need prompt and qualified care, but only trained people can meet this challenge. It's nice that the training participants pool was joined by young people from different regions of our country. Today, young people acted as one team, realising that the life of a helpless bird depends on the accuracy and coherence of their actions in a real situation. I hope we inspired them with an interest in this noble work, and our rescuers will implement new ideas in the field of ecology of the only island region in Russia", Timophei Zvezdov added.

Judging by today's feedback from the participants of the ecological track of the OstroVa Forum, who have undergone training, these expectations will certainly come true.



P. S. The next day, employees of the Sakhalin Energy HR Directorate met with the OstroVa participants. To help young men and women understand in what areas of activity they can realise their potential, the Head of Recruitment Subdivision Sergey Korovin told them about the occupations that will be in demand for the Sakhalin-2 project in the near future. Then the Lead Specialist of Talent Management Subdivision Olesya Kovalenko invited the young participants to take part in a quiz and a business game, in which they had to build a tower — as high, stable, and profitable as possible. Everyone accepted the invitation.

"The presentation on Sakhalin Energy's activities was very informative, lively and exciting. It can be seen with the naked eye that the company really cares about its personnel. The business game with clear timing was beyond all praise—I had never played games in such a format before. In addition, we were presented with a 3D book about the Sakhalin-2 project as a souvenir to remember the event by. The book is absolutely fantastic! When we came back to our room, we looked through the book and were delighted with such a marvellous gift like young children... Many thanks to the organisers!"

From the reviews of the participants of the Ecology OstroVa educational trek









survey

### VESTI

our children



### Measuring Children's Happiness

How do we measure the efficiency of the Happy Holidays 2021 programme? Was it good or bad? Was it useful or not so much? What scoring system to use? The goal was pretty simple and straight forward: to make children happy. But how do you tell if they really are? To answer these questions we came to Irina Nemykina, Lead Specialist of Social Benefits and Guarantees Section.

#### - Irina, did you find the recipe for children's happiness?

- I think so. To make them happy, the programme for those children should be developed by happy and passionate grown-ups. We were lucky to find real professionals in the Institute for Education Policy Problems "Eureka". We are cooperating with this non-profit organisation. It is involved in operational management of the corporate Children's Centre. Under the summer programme, Eureka experts have created an action-packed zone, where our kids can play and develop.
- Let's get back to our questions. What scoring system can we use to measure success? Maybe, grown-ups think it's an "A", while children give it a "C" at best.
- We had our own thermometer (smiling). For the Happy Holidays we used different tools to measure feedback. Children could share their emotions using "mood screens" on the ground. Every evening, they got together with their supervisors for reflective circles. Moreover, supervisors and counsellors kept records of children's phrases, which made it into the sort of a diary "Children Speaking". So, those are not forced compliments, but genuine reflections. Consider: "You've made my dream come true! I've always wanted to sing this song", "It's interesting to look into this thing and take a photo", "To play an interesting game you need to concentrate first", "It's really hard for those who know nothing about Cuboro principles!"
- Some of the phrases sound mysterious. You don't even know if they are good or bad.
- While phrases like the first one have an obvious positive context and are quite transparent to understand, the others are more complicated to decipher. And they cannot be simple when it comes to the integrated development of a child's personality. It is important to teach children to keep their interest in an activity and to understand the complexity of what they are doing. These important steps help children to be aware of time and space, to reflect, meaning, to assess their level of development on their own.
- Irina, well, how do you reflect, for example, on the phrase, "25 centimetres of duct tape is too little"?
- -This question helps you to understand the idea of resources and their sustainable use, and not at lectures, but while solving practical tasks. Some of the kids can already realise their intellectual growth by their fifth session. Consider: "Now I know more about the principles of power generation and devices that can be powered by solar panels."
- We have already reported in the previous issues of the Vesti about the bright, unusual and hot summer for the Happy Holidays participants. What would you say was its main result?
- This season got another name, Sakhalin is a Territory of Choice. This summer, our children learnt how to make an informed decision and take responsibility for it. For example, when they chose a particular workshop, they knew that they had to go all the way, that is, to implement their project. And they all did. I can't help but to refer to the words of the participants: "I don't like it when somebody makes a decision for me and takes me where I don't want to go" or "When I do something I don't want to do, things are not as interesting and take much longer".

As for the main result, it's the emerging awareness. Starting from safety requirements that are followed not just because someone needs them to, but because it's just a logical and sensible thing to do, up to conscious behaviour in the workshops. Even our little ones (aged 6-8) admitted that they enjoyed running master classes for other children and being responsible for them.



#### - And what about the highlight of the project?

- I can think of several interesting and important moments. First of all, this year we invited foreign mentors to develop and implement the Happy Holidays, and that's when we got a hands-on experience of pair teaching. And it was really inspiring to see the children behave more and more freely and active when interacting with the foreign teachers. Given that the camp sessions were multilingual, native speakers participated in various events of the day at each location.

And I would also like to underline the eventful format of the common activities. The understanding that the agenda should not just be entertaining, but eventful, didn't come at once. Ultimately, we arrived at a paradoxical conclusion: an event should have a seemingly unattainable goal, a sort of a challenge to further learn something new.

- Mission impossible?
- Something like that. Children get fascinated with these challenges and learn new skills in the process.
- Were parents excited as well? Maybe, they wanted something more traditional?
  - Let's recap together with them.

"The camp helped my daughter to overcome her fear of speaking: English. Before holidays, Adelina had fairly good basic skills. But being shy, she was afraid to speak English. However, after easy and comfortable practice with Luca and George, this fear is gone. Moreover, Adelina told me, "Mom, now I know why I need to learn English!" Another highlight of the Happy Holidays programme is the opportunity for a child to interact with other children in different groups (different ages, different interests). The comfortable and safe environment ensures that they hone skills of communication, self-expression, assertion of their position, ability to agree and cooperate".

> Natalia Oleynikova, Adelina and Makar's mother:

"The girls really liked the dance group. From what they are: telling, you can see that everyone was paid individual attention. It's really important for children that their opinions are taken into account, that they can influence what is going on and choose their own workshop and other activities. I think the programme's success depends on particular people working with children. On the team".

> Natalia Dudrina, Alexandra and Ekaterina's mother

> > Interview by Elena Gurshal

### Honest Opinion Is the Key to Success

On 2 September, Sakhalin Energy will launch an annual employee opinion survey. The results will be announced in November and intend to be the basis for improving the working climate in the company.

The survey is focused on the evaluation, by Sakhalin Energy employees, of the company's performance as regards leadership and management, working conditions, teamwork, personnel development and engagement, and continuous improvement.

As usual, the survey will be confidential: no information about its participants and their responses will be disclosed to Sakhalin Energy.

The obtained feedback will help us understand how well we are coping with the tasks set before us and what we must do to make Sakhalin Energy a still more attractive place to work. We hope you will be as honest as possible when answering the questions of the survey. Your honest opinion is the key to our common success.



