



# VESTI

## Sakhalin Energy

Highest A+ category ("Leaders")  
in the all-Russian project  
"Leaders in Corporate Philanthropy"

### FEBRUARY 2021



С ПРАЗДНИКОМ!  
CONGRATULATIONS!

23 ФЕВРАЛЯ  
FEBRUARY

### Read in this issue

#### Green LNG, or How to Be a "Green" Company

Sakhalin Energy's "green" growth strategy is explained by Alexander Singurov, Head of the Prigorodnoye Production Complex

Green LNG ..... 4

#### Let's Go!

One of the new AW189 helicopters engaged in the Sakhalin-2 project made its first passenger flight from Nogliki Airport to the Piltun-Astokhskoye-B (PA-B) offshore platform and back

project ..... 5

#### Encouraging Initiative

The six best projects out of more than twenty: the company held its first competition for the best projects implemented in the area of Russian content development

russian content ..... 8

#### Next Stop: Central

We did it: half of the Winter Safety Marathon is behind us! Employees of the Sakhalin-2 project facilities were the first to reach the midpoint

winter safety marathon ..... 11

#### Tail Support

The award for the implementation of the complex Sakhalin Energy facilities management digitalisation project was awarded to... the inhabitants of the Sakhalin Zoo

society ..... 18

#### The Joy of Giving

Sakhalin Energy has completed the traditional New Year Miracles charity campaign

new year miracles ..... 20

### Highlights of this issue

# 178.6

standard LNG cargoes  
were produced and  
offloaded by Sakhalin  
Energy in 2020

For more details, go to page 2

### CURRENT EVENTS

7  
December

Sakhalin Energy donated a set of reagents for COVID-19 diagnostics to Yuzhno-Sakhalinsk doctors

22  
December

The valve station of Sakhalin Energy's gas transmission terminal was commissioned in the Tymovsk District. Natural gas will be supplied to housing and communal services facilities and residential buildings

23  
December

The Laboratory of Amazing Sciences was opened in the Children's Creativity Centre in Ulegorsk. The project is being implemented with the support of Sakhalin Energy as part of the Energy Social Initiatives Fund

25  
December

Sakhalin Energy was recognised by the RSPP as one of the leading companies in the field of sustainable development

28  
December

The two-volume book A. P. Chekhov. Sakhalin Island. Facsimile Reproduction and Optical-Electronic Reconstruction of the Manuscript was declared the Best Book of the Year. The project was implemented with the support of Sakhalin Energy

12  
January

Sakhalin Energy ranked second in the first ESG ranking of Russian oil and gas companies by RAEX-Europe

# Sakhalin Energy Set a Record for LNG Production

In 2020 Sakhalin Energy produced and shipped a record amount of liquefied natural gas (LNG): 178.6 standard cargo\* or more than 11.6 million tonnes. This is the best Sakhalin-2 LNG plant annual performance ever.

“Despite unprecedented challenges, both external, including the COVID-19 pandemic and economic crisis, and internal requirements to ensure a “virus-free” status of our assets, we managed to maintain business continuity and reach a historic high production for LNG. Customer focus and reliable supplies through sustainable production are key objectives for our company”, – noted Roman Dashkov, Chief Executive Officer of Sakhalin Energy.

Most of natural gas is produced by the company at the LUN-A platform in the Lunskoye field, north of Sakhalin. Further the gas is transported via trans-sakhalin pipeline system through the onshore processing facility to the LNG plant. Its original design capacity is 9.6 mtpa, but due to technical improvements and upgrade, together with weather and temperature factors, the factual production has been increased by 20 percent.

Implemented measures against the COVID-19 allowed to successfully perform summer shutdown activities in maintenance, repairing and diagnostics of the equipment. During the year the company’s assets demonstrated a world-class reliability, resulting in above-target performance for the production and shipment of LNG to the buyers.

The company supplies LNG to the Asia-Pacific with major customers from Japan, South Korea, Taiwan, and China. Sakhalin Energy continues to expand the market in such a difficult time – since the launch of the Sakhalin-2 project, the company’s LNG has been delivered to 49 ports located in 8 countries, with Singapore added to the list in 2020. More than 125.8 million tonnes of LNG have been produced since the launch of the LNG plant in 2009.

■ Marina Moruga

\*The standard LNG cargo is 65,000 tonnes.



corporate governance

## Outcome of the Difficult Year

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

During the discussion on the company’s production and business performance, the shareholders confirmed that the past year was extremely complex in the context of challenges the company had to face, and conditions in which they have been met.

At the same time, shareholders noted that despite the COVID-19 pandemic accompanied by the imbalance of supply and demand in the market and fall in hydrocarbon prices, the company managed all challenges of 2020 on a high professional level, turning difficulties into new opportunities, thus creating a margin of safety for the future. Proof of this is the 1,25 BPF approved by the shareholders.

Members of the Board of Directors and Supervisory Board devoted considerable attention to discussing the results of production activities and the progress in the implementation of company’s development projects. Among the most significant events they noted the successful com-

pletion of the summer maintenance, diagnostics and repair campaign at the production facilities. The scheduled shutdown was completed in compliance with all safety requirements, in accordance with tight deadlines and revised planning dates, with the implemented virtual support of the manufacturers of major equipment and deployment of digital workplace twins.

All assets during the year demonstrated highest reliability indicators, which allowed for the achievement of above-planned targets. In the past year, Sakhalin Energy produced and shipped to the buyers record volumes of LNG. In spring, the company shipped 1800th standard LNG cargo and 700th crude oil cargo since the beginning of year-round production.

These and many other achievements bear witness to effectiveness of company’s production strategy that ensures its financial sustainability and investment attrac-

tiveness. During the meetings, 2021 work programme and budget was approved by the shareholders and the Russian Party.

The agenda also included safety issues which are the priorities of the company. Therefore, the Winter Safety Marathon initiative was supported by the shareholders as an effective tool for improving HSE performance. In addition, they commended the company’s impressive performance in the area of process safety – best performance in its history.

The members of the Board of Directors and Supervisory Board also reviewed quarterly reports on the on the development of Russian content and Russian industry utilisation; on personnel training programmes. The meeting touched upon issues related to commercial activities including marketing and transportation of crude oil and LNG. The members of the company’s governing bodies as well discussed the relevant directions of Sakhalin-2 project development.

congratulation



## Our Energy Shield

**DEAR COLLEAGUES, PLEASE ACCEPT OUR SINCEREST CONGRATULATIONS ON DEFENDER OF THE FATHERLAND DAY!**

This nationwide holiday has been celebrated for many decades. It unites all those who consider patriotism, love for their native land, respect to the feats of the ancestors as an essential life value.

Today we honour the men of Sakhalin Energy for whom making decisions, taking responsibility, caring and helping is just a way of life. In today’s challenging environment it would be fair to say that every day our colleagues find themselves in the line of fire. The Fatherland trusted you its energy shield at its farthest outpost, and we trusted you our security. You constantly improve your professionalism and in fact prove that the concept of duty, honour and conscience is not an empty phrase.

Dear Defenders of the Fatherland! Let there be no obstacles you could not overcome! May your families always have warmth, comfort and plenty! Peace to all of us, a bright sun and a clear blue sky!

■ Female employees of Sakhalin Energy

award

## For the excellent performance

In the end of December, Sakhalin Energy management designated the best employees for the year 2020.

Based on the results of the reporting year, the Committee of Executive Directors honoured them with the highest reward, a Pin of Honour “For outstanding performance and contribution to the company”. The reward was conferred to the following staff members:

**Konstantin Kokorin** – CEO Office;

**Ivan Shamonaev** – Production Directorate;

**Marina Kim** – Finance Directorate;

**Alexander Lapin** – Finance Directorate;

**Sergei Kirichenko** – Technical Directorate;

Established in 2019 on the occasion of 25th anniversary of Sakhalin Energy. The reward is designated for outstanding performance, contribution to the company’s development, professionalism, implementation of critical tasks within core areas of Sakhalin Energy’s activities.

“In today’s world, talent has become more valuable than capital. In all divisions of Sakhalin Energy we strive for creating such corporate culture and environment, in which the employees would be able to achieve their full potential, while working towards common goals. I am delighted that in our team we have real professionals capable of meeting the greatest challenges”, said Alexander Sheykin, HR Director.

The award ceremony will take place during the CED meeting in February. Read more about this on the company’s internal website.

■ Anna Leskova

# Every Crisis Brings New Opportunities

In March 2021, Sakhalin Energy will complete its annual production cycle, which we have worked through on an emergency-preparedness basis under the leadership of the General Coordinating Committee (GCC). Andrey Oleinikov, Head of GCC Secretariat for the Coordination of Business Units' Actions, shares his vision of how this situation should unfold in the near future.

– **Andrey, many of us say that the past year has been difficult, yet some people call it “unusual” as well. Has the GCC been established in response to this unusual situation?**

– The situation has indeed been unusual and challenging. The COVID-19 pandemic turned out to be the most serious test of recent years for all sectors of the global economy, including the oil and gas industry. It has been the catalyst that has disrupted many logistics and production chains so shockingly fast, which in turn has brought about a series of negative consequences.

– **Could it have been worse?**

– Certainly. But this situation has shown us that we are ready for anything.

– **All our normal routines have been disrupted and our regular working patterns have been altered, all at once – we had to come up with new solutions in just a few days. But we have proved to everyone that we can work safely and securely...**

– This is what our activity focuses on first and fore-

**We are taking a proactive approach, so when the situation returns to normal, we will be ready and will bring significant benefits for both shareholders and the Russian party.**

most, because the production cycle should be uninterrupted and the industry is hazardous. So, what is the GCC? It is by definition a commission for emergency response, as we know it here in Russia.

– **Is this a common thing for Russia?**

– Ensuring preparedness to respond to various negative events is common practice here. In the Russian Federation, all organisations that operate hazardous production facilities should ensure they are prepared to respond to such events, explore potential scenarios and have all the necessary resources at hand which they could automatically use at an early stage of the process, and then switch to a regular mode.

This means we are not referring to the uninterrupted and 100% secure operation of our production facilities, instead, we are getting prepared to respond immediately if the risks become a reality and a worst-case scenario begins to materialise.

– **Do you mean we have adjusted the standard theory to fit our tasks?**

– We have first of all relied on certain considerations and committed ourselves to preventing the spread of infection across the production facilities. The Russian authorities, healthcare workers, Rospotrebnadzor have set the main criteria, such as incubation period, minimum requirements, markers, which we had to consider while planning our actions in reverse.

We have identified our key assets as “sterile” in order to establish the barriers, that being said, entry to the territory of such assets is only permitted to those who perform a certain set of actions. We have decided that these should include a preliminary 14-day observation period (with intermediate testing and employee health monitoring in temporary accommodation facilities) and subsequent delivery of employees, avoiding any contact with “non-sterile” team-members.

– **Looking back at 2020, what have been the most challenging problems for the Secretariat?**

– Well, I wouldn't call them problems; these are just tasks that we are trying to solve. I admit this is about human resources, I mean people get tired and need some rest...

– **...do you manage to get any rest?**

– Yes, we do (*laughing*)... Many company employees have been excited to start working, because the cyclic production is likely to become some sort of routine. The amount of work is likely to increase even during planned shutdowns, but basically these operations are routine. This means we get stronger and more resilient as we deal with the crises, which become catalysts for employees' professional and personal growth.

Everything that is happening around us that doesn't have an impact on employees' lives and health, security of the production infrastructure, all such unusual situations help the employees sharpen their skills set and bring them together.

Moreover, these situations have got us rethinking some of our algorithms, have helped us modify and scale up our interventions, and most of all, gain confidence. We also understand that the routines we have created and tested out have proved really effective and helpful, even in cases of unforeseen events. Many companies have already shown interest in our multifaceted approach and the way we have applied this approach. As it is considered one of the best practices employed on federal and international levels, we have applied this approach to other projects as well.

– **Could you tell me when the emergency preparedness routine should end?**

– The GCC's duration has been extended until March, but this depends on the current situation and external environment. If active immunisation actions and measures to treat the virus prove effective, there will be no need for temporary accommodation facilities anymore.

– **Is the forecast for 2021 more optimistic compared to the previous year?**

– We have to be realistic about things. I mean, we understand that it is going to take a while to introduce an effective vaccine treatment, and the virus mutation tends to affect the timing of creating an effective treatment regimen, which is likely to require new solutions in the healthcare sector.

**Many companies have already shown interest in our multifaceted approach and the way we have applied this approach. As it is considered one of the best practices employed on federal and international levels, we have applied this approach to other projects as well.**

This is why I think that we will be living in the same way in 2021 as we are living now. However, I would love to leave all these challenges behind in the past – leap year...

– **If the government decides to move out of lockdown, will the company keep following protection measures?**

– Actually, the company is constantly looking for ways of optimization without having to wait for the top executives' decisions. Last October, we started a routine as a pilot project which involved using “sterile” (internal) and “non-sterile” (external) perimeters at the LNG Plant.

The first zone is the “heart” of production management: central control board and production zone, where strict quarantine rules still apply. The second zone, where access to work is somewhat relaxed, is the territory of Engineering and Technical Support team and Auxiliary Department



with Administrative Support team, where numerous contractors work.

We are analysing ways to apply such a routine to other onshore production facilities as we prepare for the planned shutdown in 2021.

The offshore platforms in our production chain are the most complex facilities in terms of steadiness, logistics and staff accommodation, along with limited space and speed at which the infection spreads once the staff members have contracted the virus. Therefore, such platforms are categorised as special units, hence, limitations imposed on them will be lifted last.

– **Are we still preparing for the upcoming planned shutdown amid the pandemic?**

– Yes, we certainly are. We expect the situation to be the same as now and are not hoping for any relaxations. Even more, we had to adjust our plans accordingly at the start of the pandemic in 2020. Indeed, we have completed a substantial amount of our main work, implemented remedial measures so as to ensure stable and reliable production, but we had to postpone some of these measures.

As we have a great deal of work to complete with the involvement of large numbers of staff, we are developing logistic chains by taking all possible measures to prevent the spread of the virus with all the potential risks in mind. Also, we are facing a challenge of holding all necessary scheduled events that have been postponed or been added at the equipment operation stage.

The global markets situation, which has been further complicated by the coronavirus crisis, should eventually stabilise, according to the top management. Therefore, necessary measures should be in place to complete equipment troubleshooting and maintenance, and some additional tasks should possibly be completed so as to ensure safety and uninterrupted operation for the next longer period amid the current volatile market situation. We are taking a proactive approach, so when the situation returns to normal, we will be ready and will bring significant benefits for both shareholders and the Russian party.

– **What are the shareholders' thoughts on this?**

– We have been highly commended for our commitments at all meetings of the Board of Directors of the Sakhalin-2 project. All shareholders have given positive feedback on the company's experience of working on an emergency-preparedness basis and on the set of measures put in place to prevent the spread of coronavirus.

We completed a great deal of work with the shareholders by the end of last year. We have been able to assure the members of the Supervisory Board and the Board of Directors of the Sakhalin-2 project at Sakhalin Energy's top management level that the company will be able to ensure stable and cost-efficient supplies amid the current difficult circumstances while maintaining sufficient reliability. As a result, we have been able to get the production programme almost completely approved for 2021.

■ Interview by Marina Moruga

# Green LNG, or How to Become a Green Company

Now that the world is alarmed by climate change, the global energy market is under great economic, political and social pressure. To survive in this challenging situation, energy companies have no other choice but to rethink the way they produce and consume energy and make the transition to a cleaner production of hydrocarbons by effectively reducing greenhouse gas (GHG) emissions or using alternative energy sources. Sakhalin Energy also intends to “go green”. Alexander Singurov, Deputy Production Director, Head of the Prigorodnoye Production Complex, will tell us how exactly the company is going to do it.

– As far as we know, the company has developed a strategy codenamed “Green LNG”. Why make this fuel, which is clean enough as it is, even more environmentally friendly?

– Let us consider this issue from a different angle: much depends on what energy sources we compare LNG with. These can be traditional energy sources, such as oil, coal, etc., or alternative renewable ones. Using our company as an example, even a cursory analysis of the entire production chain shows that getting a finished product – LNG – requires spending a certain amount of energy. Our customers, in turn, use the LNG we supply to get a different type of energy, mainly heat and electricity. These processes inevitably lead to the release of greenhouse gases into the environment. If all emissions into the atmosphere resulting from the production and use of LNG are taken as 100 %, our company accounts for only about 12 % of this amount, and our customers – for the remaining 88 %. As you see, most of the GHG emissions from LNG are generated during the production of energy and its delivery to the final consumer. Therefore, when we talk about energy being clean or unclean, we must not forget the statistics, that is, figures and total volumes of greenhouse gases emitted along the entire chain from its production to consumption.

At this point I would like to remind you that, based on global benchmarking indicators, Sakhalin Energy ranks among the world’s best companies in terms of the GHG emission index (the index is calculated taking into account the ratio of the amount of greenhouse gas emissions to the amount of products produced).

– Being a responsible company, what can we do to reduce our customers’ GHG emissions, at least to a certain degree?

– This is exactly why we have developed the Green LNG strategy. Its main goal is to apply effective methods and approaches in order to reduce greenhouse gas emissions. The strategy defines four areas that our long-term plans are based on.

The first area is associated with solutions based on natural potential, the second – with the improvement of production technologies used in the Sakhalin-2 project and improvement of the integrated gas chain, the introduction of new promising modifications and predictive analytics. The third area is associated with a commercial strategy for the supply of carbon-neutral LNG. The content of the fourth one is based on long-term solutions aimed at the creation of an energy “cocktail”. The latter will involve new promising technologies that will reduce greenhouse gas emissions globally.

We are going to use all these approaches to develop different ways of solving one global problem. Let us consider the first area. In nature we have photosynthesis – a process by which carbon dioxide is absorbed, organic matter is synthesised and oxygen is produced. Why not use this natural potential to achieve our goal? The mechanism is actually quite simple: when greenhouse gas emissions are difficult to avoid or reduce, they can be offset through the utilisation of the existing natural potential, namely, through the protection of forests and ecosystems from destruction, through reforestation, planting trees in new territories, and artificial cultivation of aquatic organisms (the so-called aquaculture).

By implementing such projects, not only will we compensate for the amount of emissions we are responsible for, but also use a new, additional area – carbon credits\*. We will be able to generate them and thereby reduce not only our GHG emissions, but also some of those of our buyers, contributing to the reduction of our carbon footprint. It is an effective and “instant” way to make our contribution to offsetting GHG emissions which are currently unavoidable. Solutions based on our natural potential can also provide many other benefits, including biodiversity conservation, improved water quality, water bodies management and flood protection, improved effectiveness in the use of forests, and enhanced ecosystem services in general.



– This is just one of the four areas...

– The second area is the improvement of the integrated gas chain. We have analysed more than a hundred potential projects to further upgrade our production system, which could potentially help us reduce our carbon footprint in the future. These include, for example, the installation of more energy-efficient equipment, improvement of equipment maintenance schedules, and so on. We identify options to further reduce GHG emissions per tonne of products produced and prioritise them in terms of efficiency; then we study them from the point of view of the allocated budget. Even though Sakhalin Energy is one of the leaders in terms of specific carbon dioxide emissions, we can continue improving in terms of technology and enhancing the energy efficiency of our assets.

The commercial strategy in the third Green LNG area comprises both a short-term and a long-term component. In the short-term, we are considering the feasibility of supplying environmentally-friendly carbon-neutral LNG. We want to be pioneers in this area and are working towards entering a new market. So far, few carbon-neutral LNG sale and purchase transactions have been made in the world. Shell, one of our shareholders, is the most active player in this market niche, which is still emerging.

Everyone understands that projects aimed at reducing the carbon footprint add value to the product. I must point out that buyers in the market of the Asia-Pacific region have another reason for paying extra for a product if it helps to preserve the environment on a global scale – the expected adoption of new laws, not only in Russia, but also in Japan, South Korea and China (countries that have committed to reducing GHG emissions by 25–30 % by 2030). At the moment, the market operates on the basis of a voluntary agreement between the buyer and seller, which is realised through carbon credits. One carbon credit is equivalent to one tonne of CO<sub>2</sub> equivalent.

In 2021, we are starting a new Green LNG column dedicated to sustainable LNG and the global challenge of reducing GHG emissions in the oil and gas industry. Sakhalin Energy’s initiatives combine technical, economic, commercial, environmental and social measures which, at a time of global energy transformation, will help the company not only to preserve the advantage of being a pioneer, but will also make it a leader in the new emerging market.

It should be noted that the number of buyers committing to additional environmental measures and sustainable development is steadily increasing. They are willing to collaborate with LNG producers which have an emission control system and are able to supply carbon-neutral LNG. Sellers that cannot meet these requirements may be excluded from sales negotiations in the future. For instance, when negotiating recent sales transactions, buyers from Japan, Korea, China and Taiwan reportedly asked suppliers to consider carbon offset solutions.

The long-term commercial strategy envisages developing a standard offer of carbon-neutral LNG. Over time, we plan to start regular deliveries of several shipments of carbon-neutral LNG per year, which is expected to bring economic benefits for both customers and the company. In addition, we are considering the possibility of obtaining Russian carbon credits using a pilot carbon trading system on Sakhalin and carbon credits generated by the company as a result of solutions based on natural potential.

– These areas seem to be quite promising. What does the fourth strategic area provide for?

– The fourth area of the Green LNG strategy extends far into the future. It focuses on all possible options for generating clean energy, including alternative sources. We are thinking of using solar panels for heating our warehouses and remote assets, making a transition from diesel fuel to liquefied natural gas and hydrogen, creating CO<sub>2</sub> storage facilities and a fleet of electric vehicles. We are trying to assess how promising these areas are in the long-term. Of course, an engineering and technical evaluation is yet to be made to give us a better understanding of the scope, cost, implementation schedules and benefits, but capacity studies are already underway.

In conclusion, Sakhalin Energy will only be able to become completely green on condition that we achieve synergies between all four strategy components, carbon dioxide allowance allocation trade, natural capacity solutions and technological improvements.

– Do our shareholders support this strategy?

– When we were presenting the Green LNG strategy to the Committee of Executive Directors, one of them made a very appropriate comment about the necessity of taking into account the experience of shareholders. We have already agreed to hold a joint seminar at the beginning of this year to exchange experience and discuss future projects. In general, we have received the support of all shareholders and agreed on our roadmap.

To date, we have prepared the first report on possible steps towards using the natural potential, prepared a similar document on possible improvements for the integrated gas chain, conducted an analysis of all projects, and are reviewing the preliminary results of long-term plans assessments. This is truly a considerable amount of work. In addition, we are actively implementing a short-term commercial strategy.

Today we are at the forefront of global change, so we are facing a tremendous task that we will need to tackle and fulfil by focusing the company’s activities on the implementation of the Green LNG strategy and environmentally friendly production in general for the benefit of the future of our planet.

■ Interview by Marina Moruga

\* A financial instrument that allows the holder, usually an energy company, to emit one tonne of carbon dioxide. Credits are awarded to countries or groups of companies that have reduced their GHG emissions below their emission quota.

# Let's Go!

event

In January 2021 Sakhalin Energy commenced scheduled passenger flights using new super-medium class AW189 helicopters. There are three such helicopters in total – they were built by a special order of Sakhalin Energy at the Leonardo S.p.A. plant. in Italy.

The improved technical capabilities of the aircraft will allow the company to ensure regular passenger transportation in the climatic conditions of Sakhalin. The helicopters will be used to transport employees to offshore platforms according to the shift rotation schedule. They have already made their test flights that confirmed that all on-board systems meet the specifications and are ready for service.

“Key advantages for future passengers include the speed and low noise and vibration levels in a cabin,” shared Victor Verminsky, Head of Air Transportation Subdivision of Sakhalin Energy. “Thanks to their increased speed, the flights will take less time and fuel. The new helicopter model is equipped with an advanced ventilation and air conditioning system, an improved audio system, and a more sophisticated, sty-

lish and comfortable cabin. Additionally, the passenger-crew intercom system provides an easy way of contacting the pilots during the flight when necessary.”

The aircraft will be managed by the Russian company Gazpromavia: the terms of the agreement include helicopter flight operations, aircraft maintenance, and flight readiness assurance. During test flights, the pilots familiarised themselves with the features of the region, including the aerodromes in the northern Sakhalin, the landing pads at the offshore and onshore Sakhalin Energy assets. The pilots have carried out the required number of test flights and are now ready to commence passenger-carrying operations.

The AW189 model meets Russian design standards and is equipped with all the latest globally accepted passenger safety facilities. The helicopter features

a state-of-the-art Full Ice Protection System (FIPS), which, along with the aircraft itself, has successfully passed many tests and is certified by the Russian Federal Aviation Agency for use in the Russian Federation. The helicopters will also be used for emergency medical transportation, search and rescue operations, as well as oil spill response.

According to Vadim Panin, Logistics Manager of Sakhalin Energy, a video briefing for passengers – company and

contractor employees – has already been prepared. It details rules of conduct and safety procedures before the flight and on board the aircraft, along with informational posters for the offshore assets and the Nogliki airport. “Employing the new-generation helicopters will ensure safe air transportation necessary for reliable production under the Sakhalin-2 project,” noted Vadim Panin.

■ Marina Moruga



Nogliki airport



On 29 December, one of the new helicopters made its first passenger flight from the Nogliki airport to the Piltun-Astokhskoye-B offshore platform and back. Paul Harkin, Head of the PA-B platform, noted that the arrival of the first passenger flight of the AW189 helicopter to the production facility will go down in the history of the Sakhalin-2 project.



Guests were greeted with bread and salt!



On the Piltun-Astokhskoye-B offshore platform

# Remarkable Result

The company has successfully finished the drilling of two wells at the Spokoyny water intake. The project was implemented at a high professional level, according to schedule and, most importantly, absolutely safely. Kim Kim, Onshore Survey Section Leader, will be giving us more details.

– **Kim, our business units are more used to talking about drilling oil or gas wells. In this project, however, the ultimate goal is to extract water...**

– Water is a resource we cannot possibly do without. Do you remember the song of the water carter from the popular film “Volga-Volga”? I think the lyrics of the song reflect the main goal of the project. Let me give you some background information. The onshore processing facility (OPF) is supplied with water from the Spokoyny water intake, located at a distance of 5 km from the asset.

The water intake consists of five wells with a depth of about 120 metres each. During the regular maintenance work and teleinspection survey, it was found that the filter unit (which is mandatory for the well, since it filters groundwater from mechanical impurities) of one of the wells had begun to deteriorate due to corrosion, and this had led to a significant decrease in the throughput of the filters. In that particular well, a significant influx of rocks into the bottom hole had occurred: in the language of hydrogeologists, it was “sandstoned”. As a result, the well could no longer be used for water extraction. Yet another well did not work at a full production rate for technical reasons and needed repair.

– **What could this situation result in?**

– In the beginning, the capacity of the remaining three wells was sufficient for the routine operation of the OPF. When the number of personnel at the asset increased, water consumption values grew higher than ever. To meet the demand, the wells had to be operated at the maximum design capacity. That is why it was promptly decided to drill and connect redundant wells to ensure water supply for the hydrocarbon processing production process of, the OPFC project, as well as for domestic needs.

– **You said “promptly”. Does this mean that the deadlines for the project implementation were tight?**

– The field work was carried out in two stages: in August 2020, exploration wells were drilled for geophysical research to identify the most abundant aquifers. At the second stage (September – November), production wells were drilled, casing pipes and a filter unit were installed at the required depths, which had been determined during exploration. Finally, the OPF services connected the wells to the networks. It was extremely important to complete the field work before the onset of frost – it is always more difficult to conduct drilling operations in winter. In addition, it was necessary to prepare for the “piping” and connection of drilled wells in the shortest possible time. OPF specialists successfully coped with this



Drilling works at the OPF water intake

challenging task, performing work so that it met high quality standards.

– **Could you explain to us laymen what exactly a water well is?**

– The structure of this hydraulic facility designed for the intake of water from the water-bearing bed is quite simple. In plain words, it is a pipe with a pump that delivers water to the surface. A casing pipe or column, perforated with fine holes at the level of the water-bearing bed goes deep into the bowels of the earth. The point is that the well must take water from only one aquifer. Should it penetrate several strata, the well would produce a mixture of waters with different chemical compositions (saturated with different minerals), which is totally undesirable.

Inside the casing, there is a borehole, through which water is pumped to the surface using submersible pumping equipment. First it is supplied to water treatment systems, and then to process and household consumption pipelines.

– **Now the traditional question: what problems did you encounter during the work?**

– I think you remember what Stanislav Cherchesov, the head coach of the Russian national football team, once said: “We have no problems; remove this word from your vocabulary. There are difficulties that need to be addressed.” In our case, the project was not easy either; in the course of its implementation, we met with many challenges, but they did not turn into problems solely due to the well-coordinated work of many units of the company. It was necessary to choose a suitable contractor, to agree on the terms and conditions of work, to conduct a pre-mobilisation audit and studies of the safety of materials, and to overcome technical difficulties during

## assets

the drilling operations. When you face such a huge volume of tasks that require prompt solutions, you can't help asking yourself: “Can we do it? Can we cope with it all?” At such moments you realise that you have nothing to worry about: you work in a company of true professionals, and together you can do any job.

The project work involved many services and units of Sakhalin Energy. These included the large, well-versed OPF team, specialists from the pool of office support in the field of contract management, occupational safety, industrial structures and facilities, logistics, electrical work, lifting operations, and many others. Many thanks to everyone who contributed to the implementation of the project! Substantial support was provided by Denis Lutsev, Onshore Assets Manager, and Evgeny Udovenko, Head of the Engineering and Maintenance Department. I believe that the personal involvement of the leaders in the project was the key to its successful completion.

– **Did COVID-19 interfere with the project work?**

– We had prepared several options for project work execution, taking into account the company's requirements aimed at preventing the spread of the disease at the assets. With the support of the Corporate Health Section, a regulation was developed that provides for “contactless” interaction of contractor personnel with the “sterile” part of the OPF staff. This was one of the factors that allowed the company to ensure control over the safety and quality of work performed and to enable it to respond to emergencies without the risk of staff infection at the asset.

– **What is a “suitable” contractor? What company was selected for carrying out the planned drilling operations and why?**

– HydroGeo, a specialised hydrogeological enterprise, was awarded the contract for the drilling work. As far as I know, it is the most experienced and qualified company on the island in providing hydrogeological services. HydroGeo had a considerable advantage over the other companies offering their services: it had drilled the first wells at the Spokoyny water intake and carried out their maintenance. Thus, the contractor was familiar with this particular water intake, the condition of the wells, the geological features of the site and, of particular importance, Sakhalin Energy's work organisation requirements. Moreover, HydroGeo specialists also monitor water wells.

– **Are you planning to drill additional wells to supply water to the OPF?**

– This issue is yet to be discussed. The company uses an integrated approach to the issue of water supply, so information is now being collected on the entire water production well stock of Sakhalin Energy. We must see the whole picture first; in particular, we need to understand which wells at all the company's facilities need repairing or re-drilling. Only then, depending on the required scope of work, will we be able to make a plan of further actions.

– **Have the new wells been commissioned yet?**

– To-date they have been connected to the general system, tested and ready for phased commissioning. We can confidently state that the OPF water supply will be reliable for many years to come, subject to periodic maintenance and optimal operating conditions.

■ Interview by Elena Gurshal

# Virtual Bonenkai

For many years Sakhalin Energy has been holding receptions for its LNG buyers. Usually such receptions take place in Tokyo, however in 2020 the pandemic changed the habitual way of things – at first the reception was postponed and then we had to cancel it. To support and strengthen business relations with our buyers the Commercial Directorate organised the company's first ever online event which we called Bonenkai\*. It was dedicated to discussing the results of the year.

The virtual session on 22 December was attended by our long-term Japanese buyers JERA, Tokyo Gas, Kyushu Electric, Toho Gas, Tohoku Electric, Osaka Gas, Hiroshima Gas and Saibu Gas.

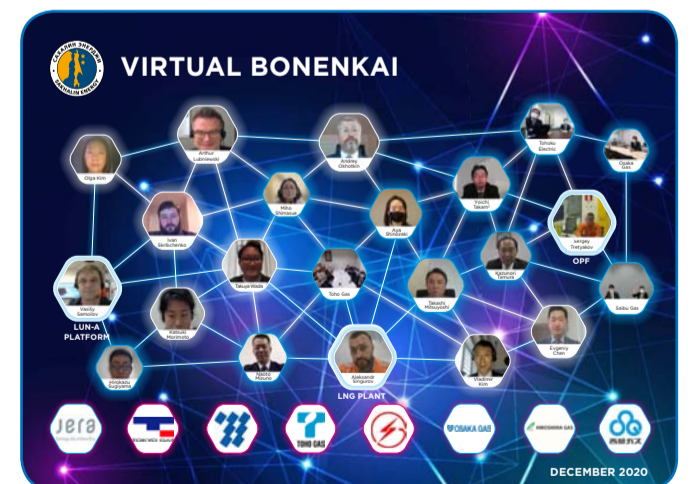
It was an online meeting where the parties discussed the year-end results and mid-term development projects. The guests went on a virtual visit to the LNG plant, Lunskeye - A platform and onshore processing facility. The asset managers presented the performance and year-end results.

Speaking about business processes the attendees mentioned the changes in working conditions and shared

their experience in coping with the unprecedented challenges of 2020. “As everyone knows, both seller and buyer had experienced extremely difficult situation this year due to COVID-19 pandemic which is not over yet. We would like to appreciate all the efforts you have done to avoid both seller and buyer's facilities' infection including LNG vessels. Sakhalin Energy also made many pre-cautious measures to avoid our assets and our vessels from being impacted by COVID-19 infection. We continue every possible measure and try to keep our stable supply,” emphasised Commercial Director, Andrey Okhotkin.

Sunao Nakamura, JERA Managing Executive Officer and Chief Operating Officer of Optimisation Department, spoke on behalf of the Japanese LNG buyers, mentioning high volatility of the energy market in 2020 caused by the sharply reduced demand and thanked Sakhalin Energy's leadership for stable LNG deliveries during the pandemic. “We need to rely upon our long-term partnership that has been built over many years, work together looking into the future and overcome these problems as one team. Let's encourage transparent communication between buyers and sellers to further strengthen our relations,” concluded Sunao Nakamura.

## customers



Only through direct and constructive dialogue with the buyers can the issues of LNG export from the Prigorodnoye port be successfully addressed. Partner meetings, albeit in a virtual format so far, allow sharing up-to-date information on LNG market developments and play an important role in strengthening bilateral relations.

■ Evgeny Chen

\* In Japanese culture Bonenkai is a meeting with friends, colleagues and partners that takes place at the end of the year, the purpose of which is to symbolically erase the troubles of the past year before entering the new one.



# Keep Improving!

In early December, Sakhalin Energy's Committee of Executive Directors awarded employees for their achievements in the area of Continuous Improvement in Q3 2020. The award ceremony was held in a virtual format.

Among the 10 nominees for the award, the winner of the CED CI Award Q3 2020 became the collaborative team from Finance, Legal and Human Resources directorates consisting of Ekaterina Mitsuk, Alina Smirnova, Galina Tsarkova, Valeria Serebryakova, Dmitry Antonov, Stanislav Korobeynikov, Vyacheslav Yudakov.

Colleagues have implemented CI Initiative "Automation of Manual of Authorities process". Manual of Authorities is an integral part of the Sakhalin Energy control framework and reflects changes in authority requirements, staff movements and organizational structure. Previously, it was entirely manual process: from request to notification of authority assignment.

Within the framework of the project, through the joint efforts of colleagues, authorities matrix has been transferred from MS Excel to the SAP HCM system

platform, dedicated offices has been developed for each employee, Power of Attorney issuing process and tracking their validity dates have been automated.

The implementation of the initiative resulted in the following:

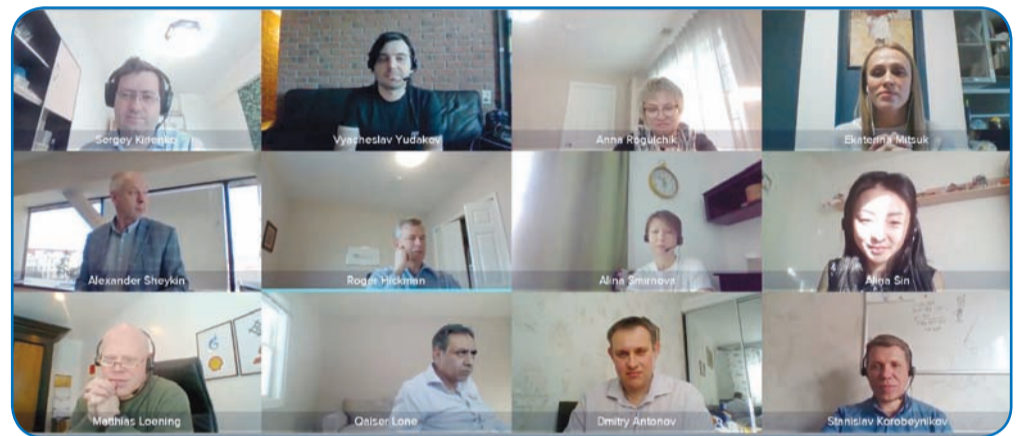
- Authorities delegation stored and available for review in the SAP system;
- Automated delegation of authority during absence;
- Database of Power of Attorney, including pre-filled templates and their scan copies in the system;
- Authorities and Power of Attorney renewal request via SAP system;
- Automatic notifications of assignment, delegation of authority, issue of Power of Attorney, reminders of expiration of Power of Attorney validity.

You can learn more about these initiatives and many others on CI Wiki web site.

■ Alina Sin

CED also would like to thank other strong nominations for the impactful initiatives:

- Company's Facility Management System Implementation based on 1C platform
- Cost saving through new approaches to fuel purchase
- Manufacture of completion tools instead of a new purchase for well
- Additional revenue generation due to Crude Oil tender improvement
- Manufacture of completion tools instead of a new purchase for well
- Well Control Drills – Easy Track and Control
- Significant savings due to cost optimization under the Technical Support Services contract
- E-Reference Books Development for Digital Library
- Automation of office access process
- Replacement of Chlorination Unit with UV Sterilizer



# In-Process Maintenance

The Molikpaq platform specialists have devised a protocol for diagnostics and repair of the fuel gas heater control panel of without shutting down hydrocarbon production. This will prove production-efficient and economically feasibility. Egor Selivanov, Production Management Engineer at Molikpaq, is here to explain the new measure.

At Molikpaq, we use associated gas for the platform's needs. First, the gas is cleaned and dried at the processing station; then it is transformed into fuel gas to power gas turbines. This is where the engineers had to step in.

Using technical terms, after cleaning and drying, the gas is supplied to the heating unit where it is heated up. For example, a diesel car requires a fuel with a particular pour point in winter. Similarly, we have to supply a gas at a given temperature

at it and suggested opening the panel to replace the elements. Previously, the diagnostics and repair of the heater control panel meant suspending production and export. With no gas lift at hand, the amount of oil produced in the well dipped. The trick is that, when the control panel is open, it is no longer powered, and the safety system automatically turns off the equipment. It's a vicious circle: no fuel gas processing – no energy – no production – no fuel gas.

**The initiative was registered as part of the Continuous Improvement programme and has been nominated for the quarterly award from the Production Directorate of Sakhalin Energy. The implementation of the initiative has saved us an average day's oil production (more than 20,000 barrels), 60 cbm of diesel, and has driven down the amount of flash gas by 5 mln standard cubic feet.**

to prevent the condensate from accruing inside the systems of turbo generator sets. The local control panel of the station is used to control the heater and monitor temperature.

During the 2020 shutdown, the heater control panel received full maintenance, but the temperature sensor of the thyristor (semiconductor device) cooling system indicated an abnormality in late November. Our engineers took a look

Moreover, the shutdown could mean a drop in production volume and great expenses: the whole facility would be involved in the re-start. Also, it means preventable diesel expenses: some of the turbo generator sets would have to be powered by liquid fuel, which amounts to 60 m<sup>3</sup>.

To keep powering the generators, we needed to work around the problem and organise a process that would not involve



the generators. With the expertise and support of the board, we ventured to alter our processes and repair the heater control panel without shutting down the fuel gas processing station. We also wanted to maintain the same amount of hydrocarbon production and make the process absolutely safe.

Our calculations showed that, with continuous gas export, we could alter a few things in the process, and we did just that. The maintenance team estimated 12 hours for the diagnostics and repair, and that was accurate. As part of the process declaring and approving temporary changes, the Offshore Support team (Anna Platonova, Technologist, Andrey Shevkin, Technical Support Engineer, and Aleksandr Markov, Rotational Equipment Engineer) have devised a procedure that was approved by technical advisors. The Central Control

Room Operators (Anton Mamkin and Vadim Tupitsyn) disabled the heater following the recommendations as planned. The team of electrical and I&A engineers carried out repair work and put the equipment back into operation.

Further analysis of the outcomes showed that we always can replicate the conditions for panel service without putting the export of gas on hold.

The key benefit of this practice is that it takes a great deal of the workload off the personnel working at the platform (given how significantly less-staffed the facility is due to the COVID-19 pandemic). Another good thing is that we have done the repair work and met the schedule of the production and transportation of hydrocarbons. Last but not least, we have saved quite a lot of diesel.

■ Recorded by Marina Moruga

# Encouraging Initiative

In 2020, the company held its first competition for the best projects implemented in the area of Russian content (RC) development. More than twenty initiatives were submitted for the competition, six of which were selected as the best.

Over the past several years, the company's leadership team has been promoting the development of Russian content in the Sakhalin-2 project in every possible way. Factors such as the deteriorating pricing environment in the oil and gas market and the coronavirus pandemic have become an additional incentive to seek new opportunities in the Russian market.

In order to motivate Sakhalin Energy employees to involve domestic companies more actively, specialists of the Russian content and Supplier Relationship Team developed an incentive programme for contribution to RC development in the Sakhalin-2 project. The programme was supported by the leadership team and was unanimously approved by the Committee of Executive Directors. It is primarily designed to encourage initiatives aimed at import substitution and the growth of Russian content.

The competition is only open to completed projects. This can be the conclusion of a contract with a Russian contractor, or the introduction of the domestic standards requirements into the documentation, as a result of which foreign equipment, materials or services were substituted with their Russian analogues. The best initiatives are assessed and selected by a special organising committee, which includes representatives of the Production, Technical and Financial Directorates.

In total, 21 initiatives were submitted for the competition in 2020, six of which were recognised as winning projects:

**Replacement of the adsorbent at the LNG Plant mercury removal unit by Tekhnologii i Katalizatory (TiK).** During the scheduled shutdown in 2020, TiK specialists replaced the adsorbent at the mercury removal unit at the LNG Plant. The work was completed successfully and without delay. Previously, this had been done exclusively by foreign contractors. Another contract has been signed with TiK to replace molecular sieves and demercuriser fillers by the end of 2023. Switching to the services of a Russian contractor enabled the company to save 38 % of the estimated cost.

**Engagement of Promsystems for critical operations at the OPF.** With the start of the COVID-19 pandemic, many countries imposed restrictions on international flights, making it difficult to mobilise foreign personnel to Sakhalin. In particular, Japanese specialists were not able to come in full force to repair the Hitachi H-25 gas turbine unit, so it was decided to use Promsystems experts, who specialise in the maintenance of such equipment. Specialists from this company also performed routine maintenance of the Brush generator at the OPF.

**Accelerating the implementation of the project to transfer the engineering services contract from Production Services Network Sakhalin (PSNS) to Gazproektengineering (GPE).** The implementation of the project to transfer the contract and relevant competencies from PSNS, a foreign design company, to GPE, a Russian design institute, is of paramount importance for increasing the level of Russian Content in the field of engineering and technical support and design. The project has been implemented since 2017. In this time, almost all engineering staff (more than 100 people) have been transferred from PSNS to GPE. The original plan was to complete the entire process by 2026. In 2020, however, it was decided to accelerate the transfer and accomplish it four years earlier. The savings will amount to 30 %.

**Conclusion of a contract with ROGII for the provision of geosteering services during well construction in the Astokhskoye field.** At the initiative of the Technical Directorate's

Drilling Programme Design and Implementation Team, a decision was made to engage a Russian contractor for geosteering (well trajectory correction) in real time while drilling wells in the Astokhskoye field. Following the technical and commercial evaluation, the contract was awarded to ROGII. As a result of the joint work, an oil well with an 800-metre-long horizontal section was successfully drilled from the Molikpaq platform. Thus, the company avoided purchasing expensive imported equipment for logging while drilling. The well was soon put into production, and its current flow rate is even higher than expected.

**Conclusion of a contract with Elektromashina for the overhaul of the backup emergency generator.** For the first time, the repair of the company's critical rotating electrical equipment will be performed in Russia – at the site of Elektromashina in St. Petersburg. The contract with Elektromashina was concluded in 2020. Previously, the entire scope of such work had been carried out abroad. The savings will amount to 62 %.

**Implementation of the new personal protective equipment (PPE) procurement and provision strategy.** The implementation of the new strategy required a revision of the company's approach to the procurement and provision of PPE for all its assets. The corporate standard included the combined requirements of Russian legislation and best international practices. As a result, in 2020 three contracts for the supply of PPE were signed with Russian companies: Technoavia-Sakhalin, Meridian, and NOW Distribution Eurasia. Cooperation with Russian contractors will allow Sakhalin Energy to reduce costs without loss of quality, simplify supply chains and significantly shorten the delivery time of PPE to the island.

We would like to thank the Sakhalin Energy employees who took an active part in realising initiatives to develop Russian Content in 2020, and sincerely congratulate the teams that implemented the best projects on their victory. We hope that 2021 will be a year of even more remarkable victories.

■ Virginiya Lakomova

[russian content](#)

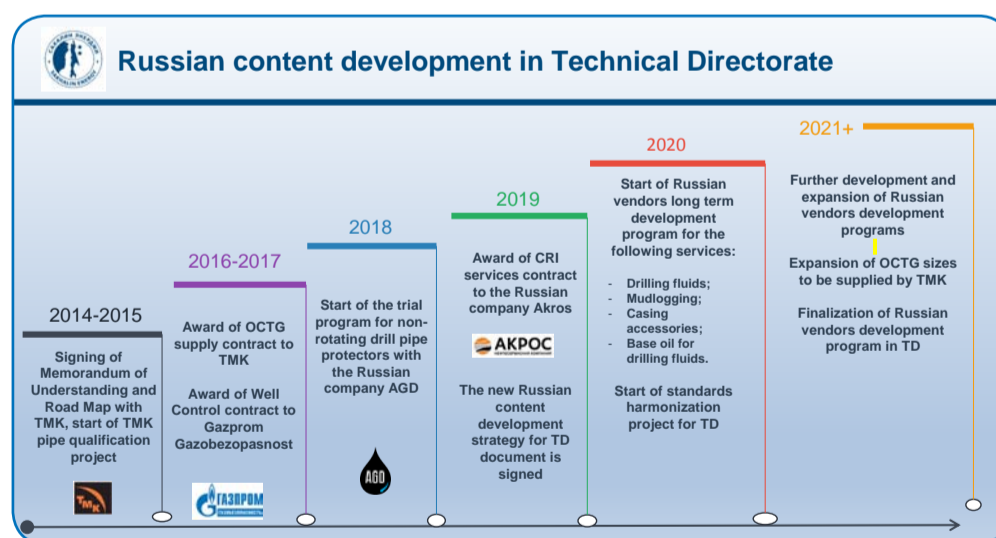
# Starting Point and Development Vector

Over the past few years, the Technical Directorate (TD) has managed to significantly increase the scope of work assigned to Russian companies and gain valuable experience, not only in solving operational problems, but also in joint development and implementation of large strategic projects.

Contracting Russian companies for drilling operations goes back to the year 2014, when a memorandum of understanding was signed with TMK. It laid the foundation for a joint import substitution project for pipe products with premium connections for well drilling. Since then, the number of Russian drilling contractors has grown steadily. To date, Sakhalin Energy holds seven contracts.

The key events of the recent years include the conclusion of a contract and the start of deliveries of TMK pipe products with premium connections (thus making a full transition to Steel Grade L80 244 mm pipes), the signing of an anti-blowout safety contract with Gazprom Gazobezopasnost, and the implementation of a programme for pilot testing drill pipe protectors manufactured by AGD. Equally important was the conclusion of contracts for drilling cuttings re-injection services with AKROS and geosteering services with ROGII, as well as the use of a Sovcomflot vessel when installing gravel packs in the Lunskeye field.

Implementing the new TD Russian Content Development Strategy, signed in 2019, the first thing the directorate did was to change the approach to the development of Russian content in drilling contracts from the tactics of attracting Russian companies at the tender stage to the development of a long-term programme of work with Russian suppliers, which involves the development of competencies of future participants long before the start of the tender. The new approach was put into practice in the partnership with AKROS aimed at developing



competencies required for the company's participation in the tender for the supply of drilling fluids to Sakhalin Energy, and with several other Russian companies – providers of geological and engineering surveying (GES) services.

In 2020, the TD actively continued this work: memorandums of understanding with respect to GES services were signed with three Russian companies – Kogalymneftefizika, Geopromalians and Petroviser. Under the memorandum with GeoTime, its representatives made a visit to the PA-B platform in February 2020 for a detailed study of relevant Sakhalin Energy requirements. During the visit, a plan of joint activities was developed, which is now being implemented.

After the successful testing of the AKROS drilling fluid formulation, Shell

Group launched the process of qualifying the tested fluids according to international methodologies. The TD and Gazpromneft-Lubricants jointly outlined an action plan for using the Russian hydrocarbon base in drilling fluids.

A strategy was approved for developing the competencies of Art-Osnastka in providing equipment for casing lining. A detailed roadmap is being compiled, aimed at closing all identified gaps in order to prepare the contractor to execute the scope of work in 2022.

The Technical Directorate continued work on Russian content development projects, which had launched earlier. As part of the partnership with TMK, the testing of TMK 9-5/8" casing pipes run into the wells in 2018 – 2019 was completed this year. The

international qualification of TMK 13-3/8" and 7" pipes is drawing to an end. The issues of engaging TMK in servicing pipe products at the Sakhalin Energy facility in Sadovniki are currently under consideration. The testing of AGD protectors in Well LA-524 entered the third phase; the completion of similar tests in Well PB-353 is scheduled for 2021. Under the contract with Schlumberger, tests were carried out to explore the possibility of replacing imported downhole drilling motors with Russian ones. As a result, there are plans to put the domestic motors into operation in early 2021.

References to international standards in Sakhalin Energy's tender documentation remain one of the factors that limit the Russian content in drilling operations on the company's platforms. This problem was addressed by carrying out a trial harmonisation of standards in 2019, following which it was decided to prepare a plan for the harmonisation of basic drilling standards. This work is to be completed by the end of 2021.

Working with companies supplying services and equipment is not the only method that Sakhalin Energy uses to increase the level of Russian content in the Sakhalin-2 project. The company also successfully implements its strategy for recruiting, training and advanced training of Russian personnel, whose professional development and career growth have a positive effect on the implementation of high-tech projects in the entire Far Eastern region.

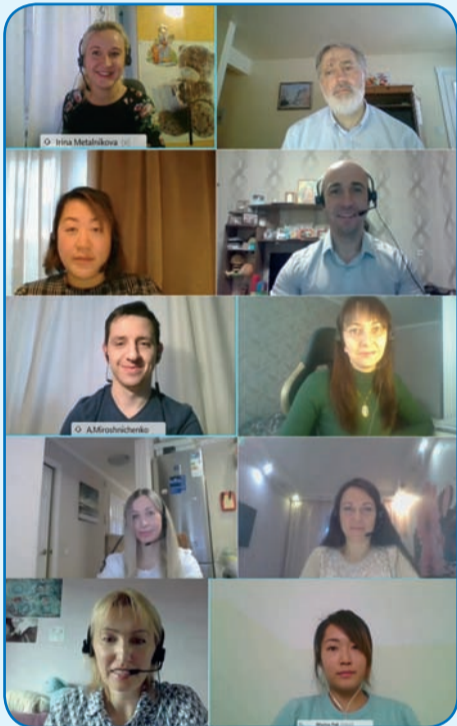
The Technical Directorate has always been actively developing the Russian content in the Sakhalin-2 project. This is more than words – the long-term painstaking work of TD specialists in close cooperation with other units of the company has yielded concrete results.

■ Ruslan Oblekov, Peter Sak



## Full House at the SAP Session

Any situation, even the most difficult, can cause inconvenience, but it can also give new opportunities and open up broader horizons... Where else could SAP Team (Department of Automated Enterprise Management Systems) find such a huge audience of more than 120 people who wanted to attend an information session if not in the virtual spaces?



The first such session took place this December in a remote mode, was highly appreciated by the audience whose feedback was to continue with this format of communication.

**SAP Blueprint system automates the processes of many departments across the company and unites almost 2000 users. Also, the company rolls out a large project to transition from to its own on-premise version of the system, SAP S/4 HANA, which will replace existing SAP Blueprint provided by our shareholder Shell.**

Request-to-Pay (RTP) process, ("from application to payment"), wiki knowledge library, advice on how to easily find work instructions for SAP, useful tips and tricks on how to customize the appearance of the system to your taste – these and much more in various SAP-related areas was covered at the session. All new users of the SAP system were invited to improve their knowledge, as well as experienced SAP super-users who have a special, honourable role in testing new processes, evaluating innovations, helping end users and much more.

In 2021, SAP Team plans to organise a number of training sessions for all users.

■ Irina Metalnikova

## New Home for SAP HCM

As the saying goes: moving three times is as bad as a fire, which speaks to the general distaste to change places. Dmitry Antonov, Head of the SAP HCM Subdivision, does not agree with this statement and is ready to provide arguments to support his opinion. He believes that the implementation of the SAP HCM migration project will not only reduce the server infrastructure by consolidating individual services, but will also enable the company to save on annual software license fees. In addition, it will provide a solid foundation for the integration of new SAP systems.

– **Dmitry, why did the former SAP HCM “residence” cease to meet the needs of the business? What was the starting point for launching the project?**

– In 2018, the SAP HCM Subdivision, together with a team of specialists from the Information Technology and Information Management Department, began work on a project to transfer all SAP HCM systems to the new SAP HANA platform. This was required in order to maintain the operability of the system. The company had no other choice, since the vendor – SAP AG – announced it was terminating support for the existing SAP platform using the ORACLE database starting in 2025.

– **As far as I understand, the migration to the new platform is as bad as a fire?**

– Yes, because it is an exceedingly difficult task. We had to update the whole server hardware and network infrastructure, replace all outdated services and user applications.

To do this, we developed a detailed project plan, which included a system survey to identify incompatibilities, developing applications to replace those that had become obsolete, updating the system itself, and purchasing new server hardware.

– **Does this mean that this migration would benefit users and, ultimately, production?**

– There are some downsides, of course. In addition to positive changes, in particular the development of modern applications with a more convenient or, as we say, friendly interface, as well as the use of more powerful equipment that accelerates the system, there were also some disadvantages. First of all, the high cost of the recommended equipment. Secondly, the fact that the SAP HCM system was not adapted to the new platform. That is, the performance gain would have been ensured extensively – only due to the increased capacity of the server hardware. New algorithms for working with data, which are a unique feature of HANA – for example, storing all data in the RAM of systems – would have remained unclaimed due to the use of traditional business logic in the HCM system.

Nevertheless, as I have already mentioned, the migration was a forced measure, so the project was gradually implemented according to the plan, and, in May 2020, we were technically ready to transfer all systems to the HANA platform. Simultaneously, we worked on the creation of new self-service portal applications and purchased equipment for the new SAP HCM farm.

– **What stopped you from pressing the Start button?**

– The news about the extension of support for the ORACLE platform until 2027.

– **If the new house is practically completed, why postpone the move?**

– Economic considerations played a decisive role – the purchase of equipment would have required significant funds, but productivity would not have significantly increased. This is why it was decided to put

off the HANA migration project until 2025. Another reason for the postponement was that SAP had announced a new HCM S4/HANA system, fully optimised for the new platform.

– **Any decision has its downside, a fly in the ointment...**

– While we were planning the architecture of the HANA platform system, expecting a quick move, the old “house” was dilapidating – the warranty periods of the equipment expired, the current versions of software components went out-of-date.

In order to keep SAP HCM operable and to prevent a serious deterioration in the quality of its services, we needed to implement the project to create a new “home” for SAP HCM over again, and do it quickly.

We successfully completed this difficult task largely owing to our colleagues from the Information Technology and Information Management Department, who promptly allocated server capacity and storage space, reviewed network infrastructure, changed

*SAP HCM is one of the modules of SAP ERP, a comprehensive enterprise resource planning system, which is part of the extensive SAP Business Suite. SAP HCM is an integrated solution for effective human capital management. SAP HCM allows standardising and automating the processes of local and global personnel management in order to increase their efficiency, reducing temporal and financial expenditures for personnel administration, increasing the transparency of personnel management processes and ensuring compliance with changing legal requirements.*

backup practices, and configured firewall infrastructure. As a result, we prepared the landscape for the accommodation of all SAP HCM systems and data migration.

The SAP HCM Subdivision specialists, together with the SAP HCM basic support team, drew up a plan for migrating SAP HCM systems to the new infrastructure and obtained approval from the business process owners. It was not an easy task given the significant number of critical business processes (time keeping, payroll, monthly reporting for shareholders and the Russian party, etc.) with completely different scheduled deadlines. Therefore, we had to find an interval of system downtime to perform migration work.

– **What difficulties did you face?**

– First of all, the periods of scheduled downtime of the systems turned out to be too short for the planned scope of work. Taking into account existing best practices, we started migration with the development systems. The process is complicated indeed. For some systems, the migration process had to be performed in two or even three stages. After the migration of each system was completed, we checked the operability of services, frequently used applications and the self-service portal, the launch of scheduled tasks, sending of notifications by e-mail, the generation of printed forms of documents, and much more. In the course of work, we had to overcome difficulties associated with changing the addresses and the names of



servers on the network. Fixing connections and correcting hyperlinks were given priority.

– **Despite the challenges, you were able to complete the first stage of migration in full. How did you work on your mistakes? Did the lessons you learnt help you in the implementation of the second stage?**

– We regard our mistakes to be steps towards achieving the result. We carefully analysed all errors, corrected them and continued on. The second stage envisaged the migration of all developments quality assurance systems – this is the infrastructure for testing. Although we met multiple difficulties, our accumulated experience allowed us to approach the targets, which

gave us hope that all production systems would be successfully relocated.

– **Your team must have been working according to the Olympic motto “Citius, Altius, Fortius!” (“Faster, higher, stronger!”) – you managed to implement the third stage ahead of schedule.**

– The experience we gained during the implementation of the first two stages of the project, as well as the dedicated work of the SAP HCM base team, helped us to complete the migration of the production systems well ahead of schedule. The SAP HCM Subdivision specialists promptly conducted tests to confirm the operability of all critical services. Currently, the migration of less critical and support SAP HCM systems is under way.

From the bottom of my heart, I would like to thank the specialists of the Information Technology and Information Management Department for their non-standard approach and coordinated work on the creation of the infrastructure, and also for their help and support throughout the entire system migration process. Special thanks to Andrey Zolotarev, Tatiana Nikulina and Andrey Sedov (SAP HCM basic support team), Maxim Chashchin, Anton Bronnikov, Bogdan Zhiryakov, Anna Samoilova, Ilya Dyachenko, Stanislav Korobeinikov and Vyacheslav Yudakov (SAP HCM Subdivision), Valentina Sedova and Andrei Soikin (1st line of SAP HCM support).

■ Interview by Elena Gurshal



# Follow the Right Steps!

2020 has come to an end, but that does not mean that the biggest issue of the year – COVID-19 – is over. The coronavirus is still very much an integral part of the world we live in today, along with face masks, working from home, and other “signs of the times”. Unfortunately, as of yet, there is no 100%-effective protection against the coronavirus, so all of us are at risk of contracting this disease and developing complications. Which is why it is very important to know what to do if you get sick – which steps to take first and which ones to avoid altogether. Andrey Lee, Lead Specialist of the Corporate Health Section, weighs in on real COVID-19 cases\*. Let's see....

## FIRST STORY: A “MILD” CASE

Alexander (not his real name):

“COVID-19 came to our family through our kid's kindergarten. When we found out that there had been cases of the coronavirus at the kindergarten, we all immediately went to get tested.

Once we had received positive results, I scheduled a doctor house call and simultaneously contacted relatives from another region who work in the medical field, described the symptoms to them, and they advised me on a treatment. In addition to staying well-hydrated, they prescribed antibiotics and probiotics, antiviral medication, as well as fluid replacement. The proposed treatment was later corroborated by local physicians. For me, the best proof of its effectiveness was my successful recovery.

Before that I had a high fever for five days, digestive issues, chest pain, loss of smell, and severe fatigue. My wife only had a fever for two days and a loss of smell for another three. Our child handled the disease quite easily – he got better after having slightly elevated temperature for three days.

All in all, our family came out of the close encounter with COVID-19 relatively unscathed, which I am very grateful for.”

## EXPERT OPINION:

Andrey Lee, Lead Specialist of the Corporate Health Section:

“I would like to point out that the person from the first story took actions in the right order: his entire family got tested for COVID-19, then they sought medical advice, and only afterwards they started taking medication. This should be the procedure in such cases.

The thing is that doctors do not always prescribe antibiotics, especially if symptoms are mild and there are no therapeutic grounds for taking these drugs. This is due to the fact that unsubstantiated use leads to microorganisms becoming antibiotic-resistant. In the future this can render certain medications less effective. Also keep in mind that antibiotics often cause negative side effects, for example digestive issues.

You have to remember that COVID-19 is a virus, and, thus, antibiotics do not work against it. They are prescribed only when the infection causes complications. Which is why you should never take them “just to be safe” – you are more likely to actually harm your body. A much better way to be on the safe side is to stay hydrated. So, the advice that every doctor gives you when you are sick – to drink a lot of water – applies here as well, since it helps the body to flush out toxins (bits of the virus and its waste products).

If you develop COVID-19 or flu symptoms, conduct your own epidemiological “investigation”: try to remember the places you and your family members visited in the last 14 days since the start of the symptoms, the people you came in contact with, and whether you used PPE and observed personal hygiene rules. If there is a chance you might have been exposed to an infected person, you should definitely get tested for the coronavirus. And, needless to say, unless you are a doctor, do not self-medicate!”

\*Read continuation in the next issue.

■ Pavel Ryabchikov



## TAKE CARE OF YOURSELVES — DO NOT TAKE MEDICATIONS WITHOUT CONSULTING A DOCTOR!

### #STAYHEALTHY

Every medication has two sides. When prescribed by a doctor in the right dosage, a drug can help you. Yet, the same drug taken unsupervised in exceeding doses will harm your health.

### #NOSELFMEDICATION

Do not self-medicate — it poses a threat to your life and health! All medications must be prescribed by a medical professional who knows which drugs are safe for you!

### #COVID-19

COVID-19 is a virus, and like any virus, it cannot be treated with antibiotics.





## WINTER SAFETY MARATHON

# Next Stop: Central

It's done! The Winter Safety Marathon is halfway through! Employees of the Sakhalin-2 Project facilities were the first to reach the halfway mark. It was in early January that they addressed and discussed the topics of a healthy lifestyle and risks of injuries caused by slipping, tripping and falling. After the New Year's festivities were over, the office employees picked up the pace.

### “SLIPPERY” TOPIC

“Keep your head up, Lieutenant Golitsyn...” These are the lyrics performed by Alexander Malinin, a singer, apparently, popular with this author's neighbours. “Better keep yourself straight up, Lieutenant. It's risky...” These are the words murmured by this author while writing this article. By coincidence, the very same message (among others) was sent to the Marathon participants by the organisers at the third stop.

But jokes aside, as this is a serious matter. According to the Sakhalin Energy HSES Department, in 2020 nine employees suffered falling-induced injuries.

### BY THE WAY

Learn more about the Winter Safety Marathon at Sakhalin Energy's external site ([www.sakhalinenergy.com](http://www.sakhalinenergy.com)), Safety and Environment Protection section.

That's why Healthy Lifestyle, the third stop of the Marathon, was updated with information on slipping, tripping and falling hazards. It made up a separate section given as a presentation and supported by an interactive training video.

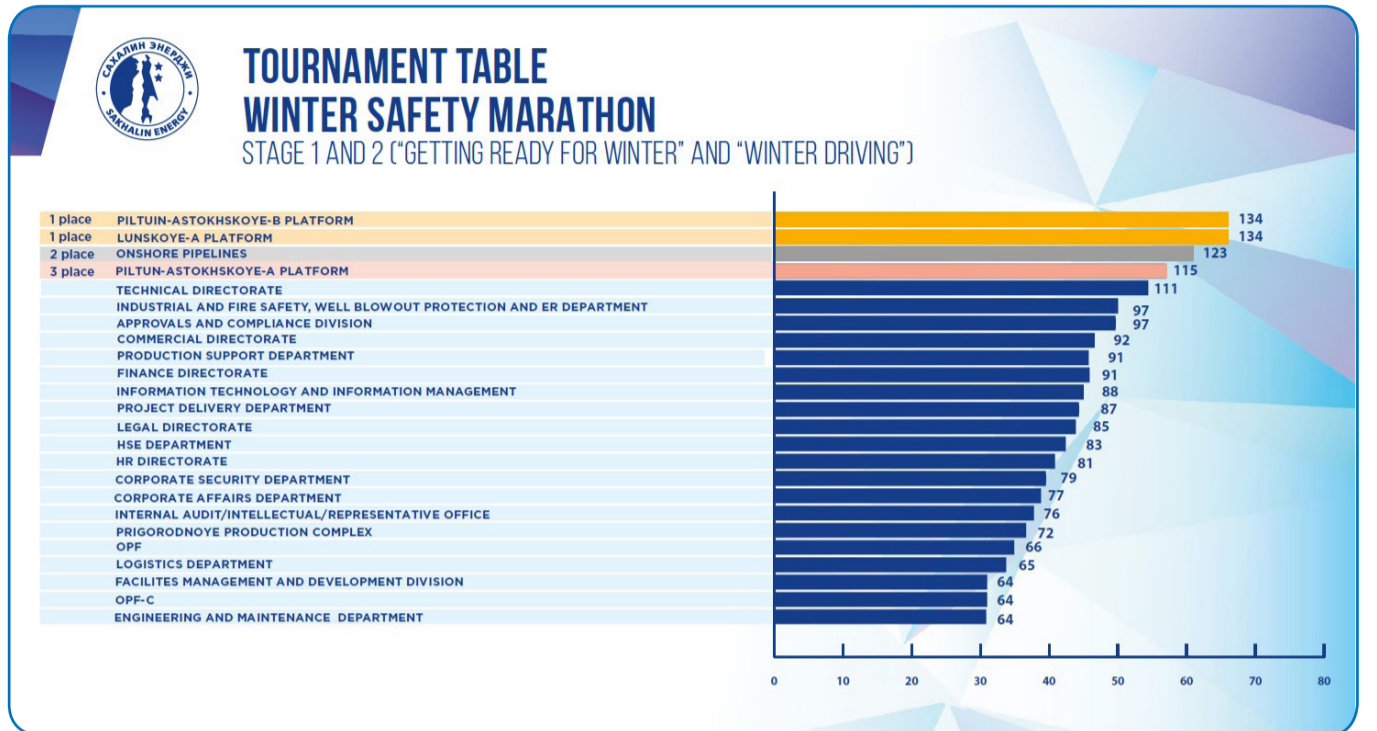
### DANGERS OF A HABIT

According to the experts, severe injuries do not always come from complex work and do not necessarily happen at production facilities. More often than not, there is a classic pattern behind them – a walk, a fall, coming to, a cast. Basically, when we are absorbed by routine and acting mindlessly.

Injuries can catch you wherever you go: at work, at home, in the street, on public transport. Those places, which we visit quite often, can be even more dangerous, as we get used to them and eventually drop our guard. With the ongoing pandemic and extended shifts, this risk has become higher. That's why the employees of the production facilities consistently find themselves in the at-risk group. Moreover, the majority of the office workers, whose “home – office” routine went to just home, started to experience these risks. Meaning that it's more likely to let one's guard down when in familiar living quarters.

In terms of the third stop of the Marathon, the participants discussed the “slippery” topic and shared methods of keeping it under control. Under the new circumstances, managers are recommended to frequent the working places, to check permits on work and safety measures on a regular basis, to follow-up on how work is performed during the hours of darkness, if the employees have and use PPE (including antislip gear).

Regular employees should also stay vigilant. To avoid falling face first in the snow (it's the Winter Marathon after all), we have to do the right thing even if nobody is “looking” and immediately report any potential risks of slipping, tripping and falling. We have to intervene and to prevent unsafe behaviour demonstrated by us and by those around us. And, of course, not to hurry.



### LEARNING FROM EXAMPLE

Haste can cause you to end up in a cast or lead to other troubles. Unfortunately, this statement has been proven right by some people. The best we can do here is to profit by their unfortunate experience and learn from their example.

It was for a good reason that the organisers began the third stop of the Marathon with a story from a colleague. In winter, serving in the military, he felt under the weather. Despite the doctor's recommendations, he decided that it would all go away on its own. It didn't. As a result, he was admitted to hospital with pneumonia for three weeks.

“This situation taught me a lesson. I realised that in winter your immune system can be weakened. When coupled with fatigue and stress at work, it may lead to an undesirable effect,” the main character of the story concluded. And we couldn't agree more.

Worthy of separate attention are the risks of winter activities, namely, downhill skiing, tubing, tobogganing, and sledding. On a hill, an unprepared person can easily get injured or hurt other people.

### TOGETHER TO THE FINISH LINE!

Great news: The Winning Together! Corporate video competition, held as part of the Winter Safety Marathon, has been extended until March 31! Now employees of the company and contractors, as well as their family members, have even more time to film and send to [ea@sakhalinenergy.ru](mailto:ea@sakhalinenergy.ru) a short (up to 5 minutes) video about safety rules at work and at home. This is a good opportunity not only to show your directing and (or) acting talents, but also to be among the leaders of the marathon. Are you interested? Then go ahead: shoot, send and win together!

Sledding down a hill is just one of many risks that we face on a regular basis. Let alone the danger of hypothermia, frostbite, seasonal diseases, including flu and COVID-19, food poisoning. Paying close attention to these things, caring not only about other people, but ourselves as well – that's what every participant of the Winter Marathon should set their sights on.

### SAFETY AS A LIFESTYLE

In this matter, we can and should look up to our leaders, who showed determination and made safety their work style and lifestyle. According to the results of the two stages of the marathon, our remote sites are at the very top of the standings

In the individual marathon standings, well-deserved prizes were awarded:

### BEST INTERVENTION

- **Andrey Yerokhin** (Sodexo EuroAsia, Facilities Management and Development Department), who saw a person with early signs of a stroke and came to the rescue.
- **Dina Makarova** (Approvals and Compliance Department), who noticed the risk of the road collapsing near the Prigorodnoye production complex and ensured that the situation was addressed by the responsible organisations.
- **Konstantin Kononov** (Gazprom Transgaz Tomsk, Oil and Gas Pipelines Operation Department), which drew attention to the fact that the packing of sawn timber in front of the warehouse gate interferes with the passage of vehicles.
- **Maxim Mun** (Ecospas, Department of Industrial and Fire Safety, Anti-Gusher Protection and Emergency Situations), who noticed that third-party workers do not use braces when lifting a slab with a crane.
- **Ekaterina Voloshina** (Finance Directorate), whose attention confirmed the danger of residents being in the flats due to excessive gas concentrations.

### ACTIVE MARATHON PARTICIPANT

- **Irina Samatova** (Approvals and Compliance Division), who wrote three scripts for the Winning Together contest and sent them to team members, encouraging them to actively participate.
- **Yulia Igonina** (Technical Directorate), who organised two outreach sessions in her children's kindergarten and school about Winter Preparation.
- **Sergey Manchilin** (Corporate Affairs Department), who creatively informed about safe driving during the winter period and shared effective tips, demonstrating them with concrete examples.
- **Vasily Kovalenko** (IoCa Support Services, Infrastructure Management and Development Department), who was actively involved in the filming of a training video on the topic of fall prevention.

In addition, the participants of the quiz, randomly selected from those who had given the correct answers, were awarded with memorable prizes.

These contributions as well as active participation in the Marathon factored into the results of the first stage of the contest between 24 teams of the company's divisions and contractors.

Long story short, this far-reaching initiative is picking up the pace, covering a growing number of topics and engaging new Marathon participants. Everyone has a chance to shine. To do that you need, most of all, the desire, and then the possibilities will come along. When we participate together, we win together!

# A Glance from the Present

Sakhalin Energy employees Nikolay Mulyukin, Gennady Gritsov and Dmitry Glushchenko took part in the assessment of the works of young scientists, submitted for participation in the Oil and Gas Projects: A Glance into the Future international competition. Nikolay Mulyukin, Head of the Drilling Support Subdivision, shared his impressions of working as an expert.



– **Nikolay, why do you think you were asked to assess the work of young scientists?**

– The selection mechanism was pretty simple. The organisers of the competition contacted the Sakhalin Energy Human Resources Directorate. The Talent Management Subdivision analysed information on employees with scientific degrees in the field of oil and gas, chemistry and other fields. Then the organizational work was carried out directly with the specialists

for whom the declared directions are consonant, including the work with our line managers regarding the coordination of the participation of their subordinates as experts.

Let me remind you: I was not the only Sakhalin Energy specialist engaged in this work. I must say that the invitation for our employees to conduct an expert examination is, before all, a sign of trust and recognition of our professionalism.

– **It was the first time that this competition had been held remotely. Did this fact make it easier or, on the contrary, complicate your work?**

– I don't know how experts' work was organised in the past. I think it was the same as now. I received a link to the competition, a password, a login, and a list of projects. I chose two projects, the topics of which corresponded to my specialisation and my professional interests.

– **The stars aligned...**

– Exactly. Enhanced oil and gas recovery is an ever-relevant subject in the oil and gas industry. It is important not only for scientific research, but the business itself. Therefore, it was interesting for me to analyse the papers which dealt with the topic.

– **Did the young scientists manage to make a significant contribution to the research?**

– Any statement adds new data to the treasury of science. One of the papers was devoted to the construction

of computer models for a detailed recording of processes in gas-bearing layers. The project was developed by a research team from the Gubkin Russian State University of Oil and Gas, where I graduated from. When I was a student, we made similar calculations using fairly averaged data, so the results we got were not very accurate. Modern computer technology makes it possible to process a larger amount of information, and innovative laboratory equipment allows researchers to study these processes in much detail and create a more perfect model.

**The organisers of the competition: the Advanced Technologies and Perspective Oil and Gas Industry Projects Working Committee of the International Business Congress (IBC) and the industry-specific science and technology magazine Gas Industry (founded by Gazprom).**

– **So, a significant discovery is yet to be made...**

– The young researchers are only taking their first steps in science. We must keep in mind that this paper is a part of a huge project that the relevant university department is working on. We do not expect everyone to see the periodic table in their dreams, but significant discoveries are absolutely possible given that the research covers a wide field. The project is promising. I am sure that eventually we will develop a technology for extracting subsoil reserves that were previously impossible to produce, and this will lead to an increase in reservoir productivity.

– **Could you tell us about the other project?**

– The other one is not just a theoretical study; it is a paper that has prerequisites for practical application. One of the problems of oil production is produced water breakthrough, which reduces oil recovery by 40–60%. So, when a large field is being developed, it is economically profitable to invest in the secondary recovery of hydrocarbons.

The paper is devoted to the study of new technologies for flooding oil reservoirs using microgels, which help to increase the viscosity of water, bringing its value closer to that of oil. In

addition, the project studies the conditions and temperatures at which a greater effect can be achieved.

**Competition objectives: to create an international communication platform; to search for exceptional and effective solutions; to promote scientific research aimed at the development of innovative technologies for the extraction, storage, processing and transportation of energy resources; to popularise present-day scientific achievements and their significance for the future world community as a whole.**

– **This project was also presented by the research team of the Gubkin Russian State University of Oil and Gas, which means that your alma mater has preserved its status of the leader in scientific research in the field of oil and gas production.**

– I am proud of my university, and I am glad that there is continuity in its academic community. When I was a student, we did a lot of research. The university has not only preserved, but is continuously developing this tradition. This is vividly demonstrated by the participation of the university's current undergraduate and graduate students in the competition. For the students, it is valuable practical experience, an opportunity to extend their knowledge and develop their competencies, and – which is important – an additional bonus for getting a good job after graduation.

Incidentally, the conditions of the competition provide for awarding certificates of recognition to its laureates for their research achievements. The certificates enable them to promote their projects, to participate in international and Russian forums, to do internships in Russian and foreign oil and gas companies, and to publish their articles in the Gas Industry magazine. I would also like to point out the participants' good command of English: it was obvious from the way the material was presented that it had not been translated by Google Translate.

– **Would you recommend our company to employ the authors of the project if you could put in a word for them?**

– I definitely would. Practical knowledge is a big advantage.

– **Will you agree to act as an expert again?**

– I think so. Of course, this requires working in your spare time. On the other hand, getting familiarised with new projects enables you to broaden your knowledge: in order to write a well-founded review, you need to read a lot of publications, get acquainted with new developments in the relevant field. By helping others, you help yourself.

■ Interview by Elena Gurshal

## Come Out of the “Black Box”

The Wake up, Shake up! on-line marathon taught the young specialists of the company how to balance knowledge and ability. Despite the jovial name, this event, which was held by the Skill Pool Creation and Development Subdivision of the Human Resources Directorate, tackled a serious task of supporting employees in professional growth in the new normal.

The marathon was held in three stages and, correspondingly, had three levels. At the first – Beginner – level, participants trained skills in combating professional burnout and learnt practices for long-term effective work. The second stage was devoted to the topic “I Know the Theory, but I Can't Defeat the Boss\*”, dedicated to the effective (and efficient) presentation of material in a remote format. The Advanced User level was focused on motivation, individual personal and/or career counselling.

According to Elena Ilkina, the coordinator of the event and Specialist of the Skill Pool Creation and Development Subdivision, all stages of the on-line marathon were aimed at helping young employees to quickly adapt to remote work. “The most difficult thing,” Elena stressed, “is to work with a particular business unit, to delve into its problems and understand what exactly you can do to support its employees. It was necessary to sort out all work-related issues, provide individual consultations, and to help each participant to find a growth point. It took time and patience.”

Eventually, such work will pay off handsomely, benefiting the company and young specialists themselves, who will not only gain knowledge and develop skills but will also develop self-confidence and professional acumen, and thus will have no difficulty joining any team of like-minded people.

- “The marathon was necessary in the new normal in order for people not to feel lost”.
- “Individual counselling is the best tool the HR Department has come up with today. I recommend everyone to get it!”
- “I did not believe that consultations would be successful; I thought that I already knew and applied many tools as it was. Now I have changed my mind. I have seen new areas for growth, and I will definitely use the tools that I learnt about during the marathon.”

*From the feedback given by on-line marathon participants.*

This optimistic prospect is evidenced by the reviews of the young specialists: 80% of them evaluated the work of the consultants as excellent, and the rest – as good. The participants in the marathon pointed out the timeliness of the information provided to them during the marathon. Now they are warned about the dangers of professional burnout and know how to deal with it. The

topic of on-line presentations aroused great interest among the participants in the event. One third of them rated individual consultations as the most important topic. They are absolutely confident that this new HR tool is necessary and useful.

According to Elena Ilkina, the current situation forces us to step out of our

comfort zones and the black box (on-line communication in which one of the participants does not use their video camera). Face-to-face interaction, during which you see the response of your interlocutor and can interpret it, is being transferred to the area of on-line communications. “It forces you to hone special skills in order to make yourself understood and also to understand what is



required of you. Today, young professionals have fewer opportunities for visualisation, but this does not mean that they have fewer opportunities to express themselves. This is exactly what we wanted to convey to the participants of the marathon.”

Most of the participants are sure that such events should be held at least twice a year, and a third of the participants believe that it would be a good idea to hold them even more often than that. Suggesting topics for the next on-line marathon, they mentioned the development of leadership competencies, building relationships with managers, colleagues and contractors, visibility and communication channels for working remotely, and others.

The marathon is over. Long live the marathon!

■ Elena Gurshal

\**Boss (from “Boss Monster”) – in computer games, an enemy character who is much more difficult to defeat than ordinary enemies. Typically, the Boss is placed at the end of the level, thus building the culmination of the gameplay.*

# Recruitment Anew

With the spread of the pandemic HR recruitment specialists had to reformat the resourcing process. In order to attract valuable staff to the company remotely, multimedia hiring tools had to be mastered, so we would be able to successfully build online communications with colleagues and candidates. Sergey Korovin, Head of Recruitment Subdivision, told us in the interview about work in the realm of recruiting.



– **Sergey, 2020 was uneasy. What kind of difficulties your team faced and what results were achieved?**

– The past year was indeed very interesting and intense. I believe that in the beginning of it no one would have expected that crude oil could be so cheap, overseas vacation – so incredible and remote regime – so topical. Every day the new reality gave us surprises and made adjustments in our work.

First thing we had to do under quarantine is to switch to interviews in the form of video calls. In many ways it made recruiter's work easier, however, it limited the ability to see and evaluate a candidate firsthand. The loss of audio or video signal can be restored, but it is quite difficult to compensate the lack of live communication. As experienced recruiters say, it's harder to understand online if the person in the monitor is "our" person. Therefore, we had to learn how to perceive candidates remotely, elaborate more carefully on issues to be discussed during the interview and evaluate skills and behaviour of applicants using tests and questionnaires.

Applicants as well had to adjust. They didn't have an opportunity to visit, meet the future colleagues and see the city where they would live and work. No matter what, it's not easy for anyone to step into the unknown. Thus, we had to communicate more about relocation issues, provide more details about the region and the company.

– **How was the work organised after candidate said "yes"?**

– The next step was to arrange their relocation. As is well known, process of recruitment for the work on Sakhalin extends beyond finding the right specialist, assessing their competences and experience and agree on conditions – it also requires relocation. In 2020, due to constantly changing rules on entry to the

Sakhalin Oblast, mobilisation of personnel to the island became more complicated than ever. To travel to Sakhalin, new hire had to receive an electronic pass to the Sakhalin Oblast, provide a copy of labour agreement and COVID-19 test result. Relocation of family members not being the company staff was particularly difficult issue.

No less difficult was the situation with expatriate personnel: in addition to complications associated with arrival from abroad during the pandemic, all arrivals had to undergo compulsory observation and we did our best to help them to adapt. Together with our colleagues from other departments we arranged everything necessary to be ready for staff arrival. Despite all the above challenges, we managed to arrange smooth-running recruitment process and meet the company's staffing needs.

– **What other interesting projects you managed to implement in 2020?**

In addition to recruitment, we proceeded with active promotion of employer's brand. For example, we participated for the first time in HR-Brand contest organised by HeadHunter recruitment company. It's one of the famous awards, which recognises the best personnel projects in Russia. Participants are assessed against three indicators: employee loyalty, human resources processes, opinion of applicants. We are all looking forward to

**We proceeded with active promotion of employer's brand. For example, we participated for the first time in HR-Brand contest organised by HeadHunter recruitment company. It's one of the famous awards, which recognises the best personnel projects in Russia. We are all looking forward to rating results to be published in February. I would like to take this opportunity and thank for participation Sakhalin Energy colleagues who expressed interests and helped us with the survey.**

rating results to be published in February. I would like to take this opportunity and thank for participation Sakhalin Energy colleagues who expressed interests and helped us with the survey.

We continued to work actively on the continuous improvement project as well as on the strategic staff acquisition programmes focused on succession development: company's grant recipient (student) – intern (a participant of the company Graduate Development Programme). I am glad that our work did not go unnoticed. In 2020 we won in the in the KonTEKst contest: our programme was recognised as the best in the nomination "Development of labour and personal potential of employees". The programme is aimed at retention of young local professionals and attraction of local graduates.

Changes as well affected our cooperation with universities: for the first time we took part in online events with aca-

demic institutions. So, you can see, the past year kept us pretty busy. And I would like to thank all members of my team – everyone has done great. Thanks to the joint efforts we managed to accomplish so much.

– **You took part in another project – On-The-Job Training. What are the results and prospects?**

– That's correct, we participated for the first time in the second phase of this online-platform for employer-students communications. Jointly with colleagues from Technical and Production directorates we have prepared cases for the students and afterwards we evaluated their work. We received 55 applications, 19 students reached the finals, and, as the result, three works were voted best. The winners of the contest have been added to the talent pool list. They continue their studies in the university, but recommendations have been prepared for their internship and enhancing the English language proficiency. We hope to see these young people among the participants of the Sakhalin-2 Project Graduate Development Programme.

– **How interested are students in participating?**

– Many of them demonstrate early interest in the companies they would like to work for. It does increase their chances. As they say, good career start is the basis of entire professional life. That is why

many students are interested in such projects as Sakhalin-2. Our experience shows that students treat our cases carefully and diligently elaborate all solutions. In turn, we try to help them and provide information necessary for their development. Last year, we arranged for them lectures on digitalization and LNG, organized intensive career class with Pertoschool and testing with Detech with following feedback (new tool for evaluating candidates' aptitudes – Editor's note), arranged closing ceremony with presentations about the company and our programmes and provided discount for course of English language.

Anyway, it's a very interesting experience and we want to multiply it. It's reassuring to know that some students who took part in the second phase expressed interest in our cases and applied to participate in the third phase.

– **It's hard to overestimate the benefits of such projects as On-The-Job Training...**

First of all, it offers an opportunity to use new federal platform with all-Russian outreach. This means that apart from expanding the audience in academic institutions, we received an additional communication tool facilitating promotion of brand of company as a leader in the labour market. Especially now, in the new reality, it has an important role not only in finding talented students but also in employing experienced professionals.

– **Submission period for the third phase of On-The-Job Training is now completed. What students should pay attention to when working on the cases?**

First of all, one needs to select the appropriate case. For example, during second phase the participants were offered six cases on various topics: geology, chemical engineering, personnel management etc. Some students selected topics different from their specialization and it created some difficulties. If geology student starts to resolve case on personnel management, their chances would unlikely rise. Nevertheless, the overall process brings experience and opportunity to

**The most important thing about our work is not be afraid to embrace new approaches and introduce the best practices. And if we continue to do so, we will be able to overcome any difficulties.**

learn something new about the company and its activities.

– **Please tell us about plans for the year 2021.**

– There's no doubt that the year will be not less interesting. In 2019 we couldn't anticipate what we would be facing in 2020, but we did our best to meet the company's staffing needs. This year, we will continue active work on employer's brand promotion, taking part in relevant activities, work with universities as well as optimise and digitalise recruiting processes.

– **Does it mean that application of innovative recruitment tools not far off?**

– That's right. In addition to a number of negative aspects, quarantine limitations brought a number of opportunities. Under the Continuous Improvement Programme, we focus on process automation. This concerns reporting and introduction of an automated recruitment management system. As I mentioned above, not so long ago we introduced new Detech testing system including aptitude tests and personal questionnaire from which we retrieve a lot of so-called non-technical information on candidates. Apart from anything else, their results make it possible for us to generate recommendations on effective employee management.

In general terms, recruitment is a very interesting work that includes many specificities. Some companies practice mass recruiting, other focus on outsourcing. We work on a point search principle implying high standards for each position. The most important thing about our work is not be afraid to embrace new approaches and introduce the best practices. And if we continue to do so, we will be able to overcome any difficulties.

■ Interview by Alyona Olovyanishnikova

# LNG as a Motor Fuel

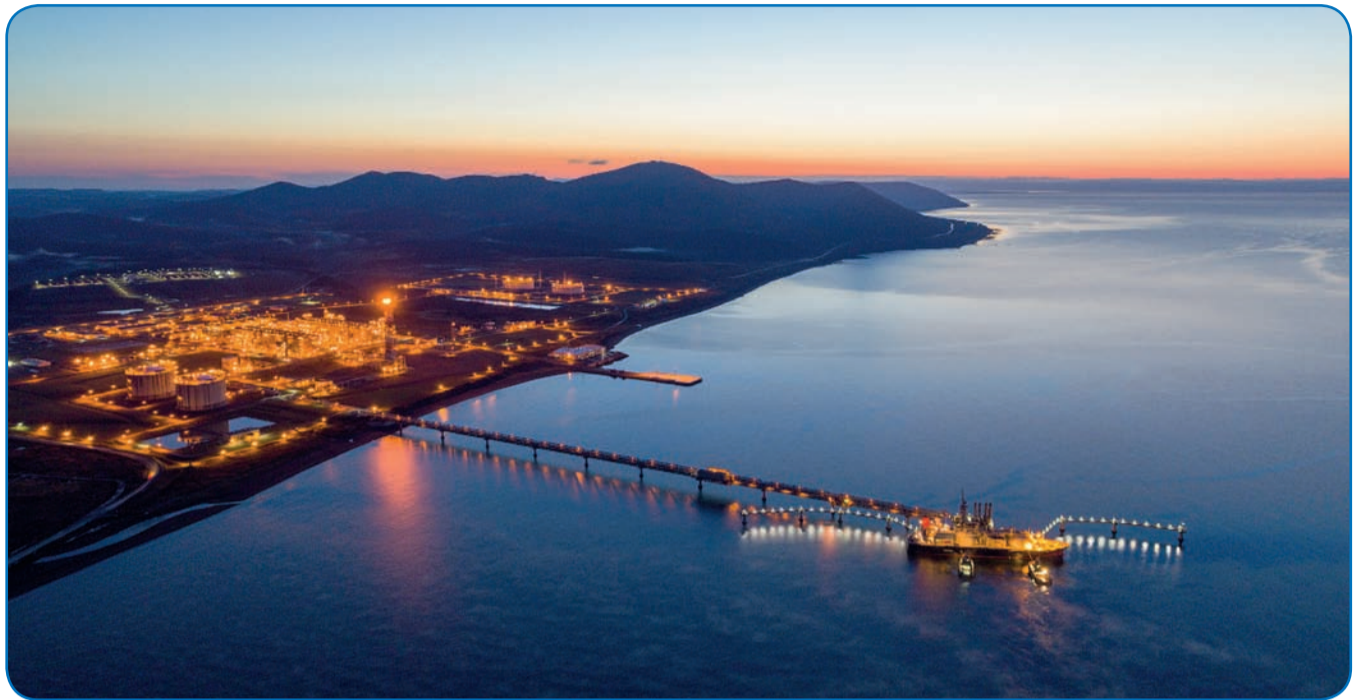
The issue of further prospects for the use of liquefied natural gas, both in the world as a whole and in Russia in particular, is becoming more and more urgent.

## ACROSS THE GLOBE

It is generally known that LNG is most often regasified to be used for the production of electricity and heat or as a raw material in industry. At the same time, the role of “liquid” gas as a motor fuel for vehicles, primarily vessels and heavy trucks, is growing steadily. The phased transition of all means of transport to LNG consumption will make it possible to gradually lower the cost of transportation, increase the energy efficiency of transport systems, reduce the negative impact of transport on the environment, develop managerial and technological competencies, and increase production capacity.

Vehicles are one of the main sources of harmful emissions into the environment; its share is about 40 % of the total emissions of pollutants into the atmosphere and about 10 % of greenhouse gas emissions. Research conducted by Carbon Limits, Norway, has shown that the use of LNG as fuel for vessels will help to avoid SO<sub>x</sub> emissions and significantly reduce the emissions of NO<sub>x</sub> and CO<sub>2</sub>. Moreover, the development of LNG bunkering will contribute to an increase in the volume of natural gas sales in the country and the loading of existing gas distribution systems.

According to SEA/LNG (a multi-sector industry coalition which promotes the transition of the shipping industry to LNG as a marine fuel), there were only six bunkering vessels in the world in 2019. In the first half of 2020, the number of such vessels increased to 12, with another 27 vessels in the stages of being ordered,



Prigorodnoye production complex

Vysotsk, Ust-Luga, Murmansk, Novorossiysk, Tuapse, the Caucasus, Taman, Rostov-on-Don, Vladivostok, Vostochny (Primorsky Krai), Vanino, and Nakhodka.

According to the plans, the conditions required for LNG bunkering are to be created in all major seaports and key ports of the Asia-Pacific Gateway and Corridor and the Northern Sea Route by 2030. The State Programme on Energy Efficiency and Energy Sector Development provides for subsidising part of the cost of building gas-filling stations and LNG refuelling stations for vehicles. It was also suggested that this programme include subsidies for bunkering infrastructure.

The first and, so far only, LNG bunkering vessel to be used in the territory of Russia is currently under construction; it will be used by Gazpromneft Marine

## IN THE COMPANY

As regards the development of this area in Sakhalin Energy, the company elaborated the first detailed plans back in 2018. Specialists of the Commercial Directorate together with STASCO and SGSI consultants carried out technical studies, following which the company confirmed the technical and operational feasibility of implementing an LNG bunkering project directly at the LNG Jetty in Prigorodnoye Port.

The commercial viability of an alternative business project to organise LNG bunkering using a chartered LNG barge has not yet been confirmed. This is due to several significant factors: insufficient demand for the bunkering of LNG vessels in our geographic region, high utilisation of the LNG Jetty in Prigorodnoye Port, a very large investment in the construction of a barge – from US\$40 to 60 million, plus high operating costs.

To date, Sakhalin Energy has chartered five conventional LNG carriers and three Aframax-class oil tankers. The gas carriers can consume both LNG and standard types of marine fuel, while the oil tankers can only use fuel oil and diesel fuel. Since 2020, the company has been actively developing and implementing the “green” energy policy, which envisages, first of all, creating technologies that significantly reduce harm from the development and use of oil and gas fields, and at the same time increase economic benefits. Sakhalin Energy intends to begin bunkering two “green” Aframax-class tankers chartered on a long-term basis at its LNG Jetty in 2024. They will replace the tankers currently used by the company. Thus, it is planned to bunker the company’s tankers exclusively, since Prigorodnoye Port is equipped with only one jetty, the main purpose of which is to offload LNG to gas carriers.

The successful implementation of the LNG bunkering project requires a large amount of preparatory work, which involves updating the operating procedures for loading liquefied natural gas, introducing an updated technical design of tankers (the vessels were initially not intended for bunkering from the LNG Jetty, and the jetty itself was designed only for mooring standard LNG carriers), careful scheduling of LNG bunkering operations (so that they do not interfere with the planned shipments to LNG carriers). There are some other important aspects of the LNG bunkering project that need to be addressed, such as tax harmonisation and calculations, and certain issues related to LNG customs clearance.

Despite the challenges faced by the entire oil and gas industry, Sakhalin Energy continues to implement promising projects aimed not only at economic stability, but also at environmental sustainability, industrial safety, increased efficiency and reliability of production.

\* *Bunkering is refuelling a vessel with fuel and engine oils. It may be carried out at a berth, at a roadstead, on the move or adrift at sea.*

■ Prepared by Alexey Abdulin, Alexander Kiselev based on materials obtained from [vedomosti.ru](http://vedomosti.ru), [gazprom-neft.ru](http://gazprom-neft.ru), [magazine.neftegaz.ru](http://magazine.neftegaz.ru), [mintrans.gov.ru](http://mintrans.gov.ru)



Photo by Timofey Zvezdov

built or commissioned. According to the forecasts of the classification society DNV GL, by 2050 the share of LNG as a marine fuel will be 41 %.

## IN RUSSIA

LNG bunkering is still at an early stage of development in Russia. Although the country cannot boast of any bunkering hubs so far, the number of LNG-powered vessels is growing. The government of the Russian Federation is actively discussing a project to build bases for liquefied natural gas refuelling in 15 seaports of the country: the Big Port of St. Petersburg (including the outposts of Bronka and Kronstadt), the ports of Kaliningrad, Primorsk,

Bunker, a subsidiary of Gazprom Neft. According to a representative of the company, the bunkering vessel will refuel Russian and foreign vessels in the eastern part of the Gulf of Finland in the Baltic Sea. The commissioning of the vessel has been scheduled for 2021.

Today Sovcomflot operates six large Aframax-class tankers which can use LNG as the main fuel. There are plans to build five more “green” tankers in the nearest future. According to representatives of the company, the share of LNG in the amount of fuel consumed by its vessels is growing steadily: in 2019 it was 15 % compared to 12 % in 2018 and 7.7 % in 2017.



# In the Top Category

Sakhalin Energy has once again confirmed its leadership position in corporate philanthropy and social investment.

This is reflected in the ranking compiled as part of the 2020 Leaders of Corporate Philanthropy Project run by the Donors' Forum in partnership with EY Russia and Kommersant Publishing House.

Sakhalin Energy earned the top grade of A+, shared by just two Russian companies, the other being Metalloinvest, a steel and mining giant.

While compiling the ranking, the board of experts looked at a number of factors, including maturity, a company's approach to philanthropy and social investment and its consistency in pursuing that agenda, stakeholder engagement, level of success achieved through corporate programmes, use of innovation to improve the social environment in the host region, as well as raising awareness about its philanthropic efforts. The key objective was to identify companies that have managed to establish best practices and a systemic approach to philanthropy and social investment.

Each submission was reviewed by at least four experts representing various institutions, including government, business, professional associations, educational establishments and the expert community. Scores were assigned to each section under evaluation based on prevailing expert

opinions. In order to earn the overall top grade of A+, a contestant had to earn at least 75% of the maximum score in each section.

While the board of experts took every aspect into account during the ranking exercise, specific social investment initiative implemented by various companies were reviewed and evaluated in the second part of the contest. Preservation and Promotion of the Linguistic Heritage of the Sakhalin Indigenous Minorities, a Sakhalin Energy initiative, was recognised as one of the best corporate projects supporting arts and culture in Russia. The experts, including the Russian Ministry of Culture which acted as a partner in this category, believe that Sakhalin Energy's efforts are aligned with the priorities stated in the Russian Cultural Policy Strategy through 2030.

Another Sakhalin Energy initiative that aims to protect the health of Company personnel and the entire community ended up in the Top 3 under the Best Programme Supporting the UN Sustainable Developments Goals to Ensure Healthy Lives and Promote Well-Being in the Interest of Sustainable Development Category.

"2020 is often referred to as a difficult year – well, I would say it was a year of innovation in corporate philanthropy and social responsibility. This year, the leaders in the field responded to various challenges promptly and effectively, they continued on the path of sustainable growth and supported others. The experience that we have gained



together over this period will be recorded in the book of best Russian business practices. I am certain that, no matter how challenging the issues might be that we will face in the future, the partners' team efforts and creative synergy will guarantee our success", says Natalya Gonchar, Head of Corporate Affairs Department, Press Secretary at Sakhalin Energy.

■ Marina Semitko

## responsible business

# Human Rights in the Context of Business Practice

Sakhalin Energy provided support in holding the Respect for Human Rights as an Indicator of Corporate Responsibility international online conference, which was organised jointly by the RSPP Committee on Corporate Social Responsibility and Sustainable Development with the UN Global Compact National Network, and in partnership with the UN High Commissioner for Human Rights Office in Russia.

The event was timed to coincide with the 75th anniversary of the United Nations, and was held on the eve of the 70th anniversary of International Human Rights Day, which is celebrated annually on 10 December. It was on this day in 1948 that the UN General Assembly adopted the Universal Declaration of Human Rights.

The online meeting brought together more than 100 people – representatives of the International Labour Organisation, relevant ministries, Russian and international companies, UN agencies in Russia, business unions and associations, and expert communities.

"Today's conference is being held with due respect for the relevance of the topic of human rights in the context of business practice, and the risks that are associated with this topic and which must be taken into account in corporate management systems, as well as in daily activities. Civil society around the globe, including Russia, is becoming more and more active, and we can see the growing demand for taking the interests of people into consideration in their relationships with business and the government. Increasingly, this is seen specifically in the context of respect for human rights. Companies that do not



show sufficient regard for people's interests face the risk of considerable reputational and financial losses," said David Yakobashvili, Vice President of the RSPP, Member of the RSPP Board Bureau, Chairman of the RSPP Committee on Corporate Social Responsibility and Sustainable Development, opening the event. In addition, he reminded the conference participants about another upcoming date – next year, it will be 10 years since the Guiding Principles on Business and Human Rights were adopted.

The Guiding Principles were approved by the UN in June 2011. Since then they have served as the key international human rights standard for governments and businesses. Dedicated to this anniversary was a report made by Elzbieta Karska, member of the Working Group on Human Rights and Transnational Corporations and Other Business Enterprises, whose main goal is to promote the global implementation of the Guiding Principles. She stressed that the Guiding Principles contained a critical roadmap for overcoming the crisis, based on respect for people. "The three pillars of the Guiding Principles clearly indicate the practical steps that need to be taken: governments must protect human rights, companies must respect human rights, and people whose human rights were abused

must have access to legal remedies," added Elzbieta Karska.

All conference participants recognised that human rights issues were especially acute in the time of the pandemic and the economic crisis. This is the time when people and their rights must be made the focus of attention. In this respect, the experience and business practices presented by companies such as Philip Morris Sales & Marketing, Sakhalin Energy, TENEX, Severstal and NLMK were of great interest to people attending the conference.

In her speech, Natalia Gonchar, Head of the Sakhalin Energy Corporate Affairs Department, talked about the key challenges and opportunities, as well as practical measures implemented by the company in the field of human rights. In particular, these measures are taken in such areas of the company's operations as supply chain management, minimising or preventing negative impacts on the rights of indigenous peoples, a set of solutions and activities related to countering the spread of COVID-19. In 2020, within the framework of this activity, the company developed a logistics scheme for the transport of shift personnel to the island, organised temporary accommodation facilities, provided equipment and consumables to regional medical institutions,

implemented a number of projects to support socially vulnerable groups, and so on.

Discussing issues related to maintaining a balance between the rights of employees and employers during the COVID-19 pandemic, Marina Moskvina, Managing Director of the RSPP Labour Market and Social Partnership Directorate, a member of the Russian Trilateral Commission on the Regulation of Social and Labour Relations, spoke about the law on remote work, adopted by the RF Federation Council, which defined three remote work models: permanent, temporary and combined. The bill comes into force on 01 January 2021, so the expert urged companies to provide feedback on the challenges in its implementation. "We hope that it will be effective and provide for more flexibility in regulating labour relations," added Marina Moskvina.

Talking about business practices, Elena Feoktistova, Deputy Chairperson of the RSPP Committee on Corporate Social Responsibility and Sustainable Development, Deputy Chairperson of the Steering Committee of the UN Global Compact National Network, RSPP Managing Director for Corporate Responsibility, Sustainable Development and Social Entrepreneurship, noted that the experience of some Russian enterprises is being used as the basis for the development of recommendations, both at the national and international levels. "We have every reason to be proud of our companies," stressed Elena Feoktistova.

In conclusion, David Yakobashvili proposed reviewing and adopting the Recommendations Following the Discussion, which will facilitate further dialogue on the topic and improve, with the active involvement of all stakeholders, the corporate responsibility of Russian business in terms of human rights. "The RSPP actively contributes to the promotion of a responsible business and sustainable development culture in Russia. We hope that the number of socially responsible companies will grow every year. This is a factor that has a considerable influence on the entrepreneurial and social climate in the country," concluded the RSPP Vice President.

■ Marina Ee

# “A Whole New Level of Business, Society and Nature Interrelations”

“It is not just an obligation, but a necessity for a business to be sustainable. This is the call of the times,” Yuri Blagov, Director of the PricewaterhouseCoopers Centre for Corporate Social Responsibility of the Graduate School of Management at St. Petersburg State University (PwC Centre for CSR at GSOM SPbU), has no doubt about it.



– **The coronavirus pandemic turned out to be an unprecedented challenge for mankind. What is its impact on corporate social responsibility? How is the attitude of business towards corporate social responsibility changing?**

– The changes and crisis phenomena that many people associate primarily with the COVID-19 pandemic have long been the subject of study for our specialists who deal with corporate sustainability issues. In this regard, the pandemic is a truly dramatic, but, sadly, not an isolated case of an exacerbation of global problems to which businesses have been forced to adapt for many years already.

“Forced” is the key word here. Adjusting to the rapid changes in the environment and markets is a matter of survival for businesses, whether they want or feel a moral obligation to do this. The pandemic is a kind of crash test for corporate resilience tools that have already been invented and implemented by leading enterprises.

**The pandemic is a kind of crash test for corporate resilience tools that have already been invented and implemented by leading enterprises.**

– **What changes do you mean exactly?**

– Representatives of the world academic community (not only scientists, but also those studying business management) agree that current global problems such as climate change and loss of biodiversity are much more acute and potentially catastrophic than one might have expected. Therefore, interrelations between business, society and nature have reached a whole new level. Business is an element of society, and society is an element of nature, and this is not just a cliché: the environmental component – environmental problems and expectations – is now central to the entire system of civilisation. We constantly talk about the UN Sustainable Development Goals (UN SDGs), but actually this is an absolutely alarmist agenda!

A few years ago, the most important question was to what extent these changes are of an anthropogenic nature, whether humans are to blame for them. This was especially topical for the Russian economy, which is largely based on the extraction of energy resources. Today, this emphasis does not make so much sense because we cannot turn the clock back, and most of the changes have already gone too far and are irreversible. Mind you, this is about very near horizons – 10, 30, 50

years, that is, about the current generation.

– **Are there any national specific features that determine the attitude of business, primarily major companies, towards social responsibility or the manifestations of such responsibility?**

– Normally, this issue is considered in a simplified manner: there is an environment for doing business, which comprises consumers, employees and the local community, and which Western or domestic businesses (at times, simultaneously) are trying to get access to. At first sight, they seem to behave differently, but this is not quite true because they exist in different environments. A business reflects specific expectations of its stakeholders and responds to them rationally, realising that they are in fact creating a very contradictory system. Consequently, it turns out that social responsibility cannot be the same in all countries, and therefore differs across country groups. The point is that the aggravation of global problems gives rise to global expectations; moreover, it transforms the entire system of expectations.

– **Is it possible to formulate a hypothetical standard for a socially responsible business?**

– Today, or rather on the last day preceding the COVID-19 pandemic, the world’s leading expert platforms reached a consensus: there are no ideal companies from the point of view of responsible business; moreover, such companies cannot exist even theoretically. Whatever decision a company makes, there will always be some stakeholder that will be at a disadvantage, or at least will not benefit from it.

In Russia, large companies studied the problems thoroughly and managed to quickly adapt international tools and international standards, including nonfinancial reporting standards, to their reality. What is more, 20 – 25 companies have reached a very high global level of corporate social responsibility.

As regards medium and small businesses, there are no grounds to consider them irresponsible, and the reason is simple: they are still alive. It is clear that many companies use excessively complex tools, which are not always commensurate with the complexity of the issues they are trying to solve. But these companies do their best to build mutually beneficial relationships with their stakeholders, and often succeed in doing so. It has become obvious to everyone that it is not so much about gaining competitive advantages through differentiation as “a socially responsible company” or, conversely, a “socially irresponsible company”, but about the transformation of the business in general. Companies are trying to get more engaged in solving social and environmental problems, but they take care not to cross the “red line” and drop out of business, managing to avoid this by improving their business models and developing partnerships at different levels. As a result, both business companies and society benefit from this transformation, carried out for the purpose of sustainable development. Even traditional corporate philanthropy is becoming increasingly strategic.

– **What specific examples of Russian companies can you provide?**

– For example, Sakhalin Energy. For more than a quarter of a century, the company has been imple-

menting the gigantic Sakhalin-2 project, which is associated with serious environmental and social risks. Suffice it to recall some of them: the threat to the grey whale population, which caused the company to make adjustments to the project, leading to a considerable rise in its cost; the risk of damage to river ecosystems, which, being critical to the life cycle of salmon species and avifauna, including the unique Steller’s sea eagle, must be preserved at all costs; the necessity to support the indigenous minority peoples of the North. Sakhalin Energy has solved many problems and continues to tackle all topical issues. Today, the company is a recognised world-class leader in responsible business conduct and a member of the Global Compact Lead – an exclusive group of sustainability leaders. Sakhalin Energy is effectively transforming its strategy to bring it in line with the UN SDGs and orients all its business processes towards sustainable development.

Severstal is one of the pillars of the Russian metallurgy industry. The company demonstrates the best practices in the development of inter-sectoral partnerships. Back in 1999, the company’s management initiated the foundation of the Urban Development Agency in Cherepovets, a project implemented jointly with the city administration. One of the main tasks of the agency is to promote the development of entrepreneurship, including social entrepreneurship. Severstal’s flagship project is the Way Home charitable programme, which is realised through a charitable foundation created by the company specially for this purpose. This initiative for the integrated prevention of social orphanhood is currently operating in seven regions of Russia. Why are they doing that? They are investing in maintaining a healthy social environment in the host regions.

**Today, Sakhalin Energy is a recognised world-class leader in responsible business conduct and a member of the Global Compact Lead – an exclusive group of sustainability leaders. The company is effectively transforming its strategy to bring it in line with the UN SDGs and orients all its business processes towards sustainable development.**

Let me provide one more example. Last year, Unilever initiated the foundation of the Green Brands League in Russia – an association that unites sustainability-based companies. The members of the League develop clear criteria for “green” products. What is important is that it is not a certification imposed from above; they do it at their own initiative! This is not an individual case but a global trend today. Let us recall another recent initiative – the LOOP project, which united the world’s largest manufacturers of food and household chemicals, including Unilever, P&G, Nestle, PepsiCo, Mars, Coca-Cola, and Danon. The goal of the association is to significantly reduce the use of disposable plastic packaging. Should an individual company abandon plastic packaging, it would suffer substantial losses. On the other hand, if a number of companies jointly start using reusable packaging and making regular deliveries of products to the consumer in the “old milkman” format, they will make a significant difference on a global scale. Our future lies with partnerships at all levels: intra-industry, inter-industry, inter-sectoral. It will take no less than united efforts not to cross the notorious red line. I admit that “Let’s combine our efforts!” is a trite slogan, but this is exactly what we need to do now.

■ Information source: expertnw.com



# First Electromobile: Sakhalin Energy's Fleet of Vehicles

The first electromobile joined the Sakhalin Energy's fleet of vehicles. The innovative Renault Kangoo Z.E. will carry passengers and cargoes within Zima Highlands and around Yuzhno-Sakhalinsk.

As Vladimir Bogomolov, Logistics HSE Manager, put it, one of the main advantages of a modern electromobile lies in its environmental friendliness. "We were looking for an electric wagon – a workhorse with zero emissions for everyday use. When selecting a cargo and passenger modification, we took into account the set tasks with the quality and reliability being our priorities. First of all, we looked at the propulsion performance of the electric motor, which is fundamentally different from that of internal combustion engines. Efficiency of an electric motor reaches 90–95% while the traditional engine has only 50–53%. In addition, the silent "green" electromobile requires minimum operating expenses. Compared to a conventional car, it has much less complex mechanical inter-

nals requiring constant maintenance, and power for charging will cost less than two thousand roubles monthly. All these advantages make the selected model ideal for regular short-distance trips," said Vladimir Bogomolov.

Despite rather modest dimensions, the electromobile can carry up to 600 kg of cargo and fit 5 people including the driver. Its charged "range" is up to 270 km in summer and up to 120 km in winter, which is way more than necessary for daily trips within the housing complex and the regional centre. It takes about six hours to fully charge the electromobile at the special station. It is worth noting that it can efficiently operate in a broad temperature range – for this purpose, the vehicle is equipped with a heat pump warming the battery in winter and increasing the range.

In line with corporate safety standards, the electric wagon is literally packed with "smart" safety systems: in-vehicle monitoring system, anti-lock brake system, and electronic stability control, which brings the "iron horse" back to the track in case of uncontrolled skidding. At speeds below 30 km/h, the noise generator kicks in – it warns pedestrians that an "electro"



is approaching by imitating the sound of a combustion engine. The battery is installed in the floor of the vehicle and additionally protected by a steel frame.

"Acquisition of the first electromobile is a new era in the operation of Sakhalin Energy's motor vehicles. Keeping pace with the global environmental trends, we welcome "green" technologies and will be

gradually moving to making the company's vehicle fleet eco-friendly. It is noteworthy that we are making specific steps in that direction and we became the first oil and gas company on Sakhalin which introduced this innovative solution for passenger and cargo transportation," said Vadim Panin, Logistics Manager.

■ Marina Semitko

# Tail Support

The award for the implementation of Sakhalin Energy's complex facilities management digitalisation project was awarded to... the inhabitants of the Sakhalin Zoo.

Wise people say that there is a grain of truth in every joke, but wait until you hear the whole story.

The facilities management digitalisation project expanded the application scope of Enterprise Asset Management (EAM) information systems (for more details, go to the November issue of Vesti). Desnol Soft, the contractor that implemented this project jointly with Sakhalin Energy, submitted it to the IC: Project of the Year, the IV International Competition of Management and Accounting Automation Projects.

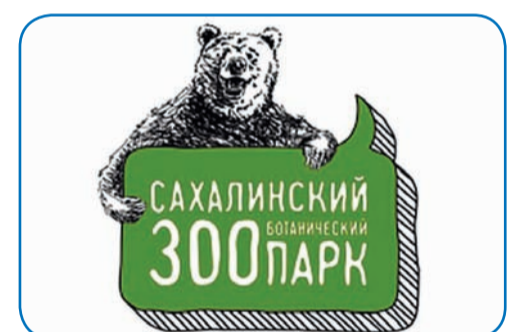
124 species of 355 animals kept in the Sakhalin Zoo are listed in the IUCN Red List of Threatened Species, among them the fish owl, the alligator snapping turtle, the African bullfrog, the Eurasian otter, the African lion, the Asiatic (Himalayan) bear, the brown macaque, the reindeer, and others. Every year, the Sakhalin Zoo is visited by over 140,000 islanders and guests of the region. It is a place where anyone can spend time with friends or family, learn a lot of interesting things about the life of animals, and enjoy interacting with them.

The unique feature of the project is the non-conventional application of an EAM system. The IC: MRO system is normally used to automate the accounting of production assets of enterprises (for example,

machine tools and other equipment), but the Facilities Management and Development Division of Sakhalin Energy put forward an initiative to use it in facilities management, including the maintenance and

repair of office buildings and residential buildings at the Zima Highland Residential Complex. This decision was fully justified – the project was recognised as the best in the Tangible Assets Management category of the competition.

The project team was awarded with a winner's diploma, a commemorative statuette and a cash prize. The statuette will be yet another exhibit demonstrating the victories and achievements of Sakhalin Energy. As regards the financial component of the award, it was decided to donate it to the Sakhalin Zoo and Botanical Garden in order to support the animals residing there,



which have also suffered from the restrictions associated with the pandemic.

The zoo is a favourite place for residents and guests of Yuzhno-Sakhalinsk. Sergei Mishenev, Head of the Sakhalin Energy Facilities Operation, Repair and Construction, who, incidentally, is the father of three children, says that their family often visits this interesting corner of the city park. "We enjoy visiting and observing our old mates, and try to study the habits of new animals. We see that the zoo is developing and changing for the better. That is why we thought it would be a good idea to make a contribution, albeit a small one, to support this progress. My colleagues willingly supported my initiative," he added.

The Sakhalin Zoo is home to 260 species and 1,273 individual animals, birds, amphibians and insects brought from different parts of the world. The zoo is also called an Open Air Museum. The unique feature of this museum, as indicated on the zoo's website, is that "its exhibits are much more difficult to keep, because they are living, and each has its particular behaviour, feeding needs and care requirements." Thus, the administration of the zoo welcomes any assistance. After all, It was not without reason that the writer Marina Moskvina remarked: "God created animals to warm our hearts, so we must warm them in turn".

■ Elena Gurshal



february 2021

photo story



# The Magical World of Vladimir Sangi

The grand New Year's project, the Magical World of Vladimir Sangi, dedicated to the Nivkh writer's 85th birthday, has come to an end in Yuzhno-Sakhalinsk. The major event was initiated by Sakhalin Energy.



The project started with the premiere of a modern interpretation of Chipmunk is looking for a friend, the Nivkh fairy tale. Among the first viewers of the cartoon were guests of the Literary and Art Museum of Chekhov's Book Sakhalin Island. The presentation was quite unusual – it was held simultaneously in Yuzhno-Sakhalinsk and Nogliki. The latter location was attended by the writer himself, who talked to the audience about the creation of the fairy-tale via videoconference.



The seemingly simple story of a forest chipmunk that suffers from loneliness without a friend, just like a person would, has a deeper meaning. "Friendship should be based on equality and mutual respect; otherwise – it's every man for himself," concludes Vladimir Sangi in the cartoon.



During the New Year's week, islanders had an opportunity to participate in various workshops of famous Sakhalin artists: Valeria Osipova, Fyodor Mygun, Nadezhda Dzhabbarova, Olga Sadinova, and many others. The mentors taught attendees how to embroider traditional designs, decorate gingerbread with glaze, and even make fur paintings, fish skin items and eco-toys. Each guest got to go home with a handmade chipmunk or a bear made of clay, felt, or paper. During the project, more than one thousand people participated in the workshops.



The youngest travellers through the Magical World met the fairy-tale characters at the New Year's children matinees. The kids showed their talents to the "management" of the Magical World with great pleasure: they danced, recited poems, participated in games and contests, demonstrating in every imaginable way that no holiday is possible without fun, gifts and, most importantly, strict observance of safety rules. Of course, the most delightful part of the event for the children was getting New Year gifts from Father Frost's magic sack. Each of the guests received a copy of Sakhalin's Fairy Tales as a souvenir to remember the holiday by. The colourful book, comprising ten stories of the Sakhalin indigenous minorities, will give the preschoolers a splendid opportunity to continue their fairy-tale journey at home.

■ Prepared by Marina Semitko

# A New Look at Safety

The online quiz with Senya has come to an end on Sakhalin. Students teams from fifteen districts tested their knowledge of the most crucial safety aspects.

The quiz took place in lieu of the annual Safety Day, traditionally hosted in the region under the Safety Is Important! programme. This programme, which is jointly implemented by Sakhalin Energy and the company's partners – the regional Ministry of Education and the Chief Directorate of MChS of Russia for the Sakhalin Oblast – turns 15 this year.

Teams from the Aniva, Dolinsk and Korsakov districts were the first to try their hand at the online test. The children had to answer 20 questions prepared by the Russian Union of Rescuers (ROSSOYUZSPAS) All-Russian public organisation.

“The quiz covered all key safety topics, including first-aid skills, the best course of actions in the event of a natural emergency or fire, safe behaviour in the forest, in the water, in everyday life, when using transport, and on the



Internet. Many of these questions are rather challenging without special expertise. The quiz will let the students test their knowledge and will also help teachers identify gaps in the curriculum, see which topics need a refresh or extra attention,” said Evgeny Cherny, a Representative of the president of ROSSOYUZSPAS in the Far Eastern Federal District.

According to Olga Gnidenko, a teacher from Korsakov Secondary School No. 4, the students were quick to adapt to the online format, being able to handle both the questions and the anxiety.

“It is wonderful that even during such a tough year the Safety Is Important! programme did not cease. After all, the coronavirus pandemic introduced even more risks. It is now more important than ever to work with children and educate them on safe behaviour in various situations,” added the teacher.

The lack of a human factor for determining the winners has become one of the key features of this test experience. A special programme, having analysed the students' answers and the time spent on them, made an impartial decision.

Senya, the main character of the Safety is Important! programme, arrived at School No. 1 in the regional centre to support the students before the online quiz.

Mubina Sharipova, a 6A grade student of School No. 1, who was the first of her team members to answer all 20 questions, shared her impressions – “It was challenging, but I did it. I prepared thoroughly for this test, not only in the classroom, but also at home. My life experience helped me answer a number of questions as I personally came across some situations described in the test. Of course, I found a lot of interesting information on Senya's website.”

For 15 years now, Senya, the beloved children's character, has been talking about how to behave when faced with various risks, has been teaching children to avoid and not to get discouraged even in the most difficult circumstances. After all, if you try your best, you can find a way out from even the most difficult situation. By the way, the students

from Makarov district proved this through their own example during the quiz.

The team was forced into lockdown due to COVID-19, therefore the students were not able to take the quiz in their own school, as other participants did. But they did not give up and took the opportunity to answer the questions from home.

The quiz featured an exciting bonus – a premiere of a new cartoon with Senya, the main character of the Safety Is Important! programme. Before the online test, Senya and his cat Vasily taught the sixth-graders about the dangers of fire and about such important tools as fire (smoke) alarms that can detect smoke in time and alert people. These devices can often be seen in business offices, shopping malls, public premises and other crowded places, but are not yet as widespread in apartments as they should be.

The results of the online testing among the school teams determined the winners as follows: the palm belongs to pupils from the Okhinsky district, silver belongs to the Nev-el'sk team, the participants from the Smirnykhovsky district closed the top three. In the individual competition, the first place was taken by Zlata Korshenko from the Sokol village school. Behind her is Victoria Alekseeva, a student of the same school, Timur Amirov from Okha School № 7 won the bronze.

“The organisation of the online testing has become a very promising, if rather unusual, matter. We have developed new opportunities for communication with children and will definitely use them in the future. In fact, we ended 2020, the year when we celebrated the 15th anniversary of the programme, with the quiz. This event has become a sort of a “bridge” into 2021, which is very symbolic. This year under the Safety is Important! programme there will be more interesting events. I will not divulge all the secrets, but you definitely will not be bored,” said Maria Skokova, Lead Specialist of the Sakhalin Energy Social Performance Subdivision.

■ Pavel Ryabchikov

# The Joy of Giving

Sakhalin Energy completed the traditional “new year miracles” charity campaign

Back at the end of November, letters from children with disabilities from social rehabilitation centres of Sakhalin Oblast, who addressed their New Year wishes to Father Frost, were brought to the company. In just a few days, employees collected presents for 109 young Sakhaliners from Makarov, Kirovskoye, Smirnykh, and Yuzhno-Sakhalinsk.

It takes just a couple of letters from children to understand that a real miracle isn't difficult at all. Those kids do not wish for a magic wand or flying carpets – as usual, girls mostly dream of dolls while boys tend to care for robots

and electronic toys, and all of them still love Lego sets.

According to Marina Ee, Head of Sakhalin Energy Social Performance Subdivision, the complicated epidemiological situation required a new algorithm of “miracles”. Containers were installed in the company's offices to collect gifts, which could also be purchased online and delivered to the office. “Most children meet the New Year fairy tale finding a long-awaited present under the tree. But there are kids, whose families don't have the opportunity to make their cherished wishes come true. We are happy that thanks to the string of good deeds

done by caring employees of our company, the New Year miracle has come to young Sakhaliners for the thirteenth year in a row. Traditionally, no letter was left unanswered – all children's dreams have been fulfilled,” added Marina Ee.

Any Sakhalin Energy employee could help in making a childhood dream come true: buy a present for a child or become part of the gift-giving team. The volunteers visited children from 16 Yuzhno-Sakhalinsk families dressed as New Year magicians. They were wearing medical masks when giving presents and had been tested for COVID-19.

“Kira and Maxim had been waiting for Father Frost since morning, and when they finally became the proud owners of a ponycycle and a motorcycle, they immediately started riding their “dreams” all around the apartment. They were extremely excited, and not only them... Happy faces of my children always mean great happiness and a small victory over circumstances to me,” Elena Kerro, the mother of the children attending Social Rehabilitation



new year miracles

**“This is the fourth time I participate in the campaign. Children, unlike adults, believe in miracles, in something extraordinary and certainly bright – I just cannot miss an opportunity to become part of this miracle and a good magician at least once a year. Moreover, the New Year celebrated with a feeling that you have become important for somebody will certainly bring good luck and happiness”.**

**Volunteer of the charity campaign Anna Nekrasova**

Center Preodoleniye, shared her emotions.

In addition to giving presents in response to New Year letters, the company has sent more than 160 sweet gifts to children from social rehabilitation centres for minors Mayachok (Lugovoye planning

area) and Ulybka (Krasnogorsk settlement), and to children with disabilities from Korsakov. The New Year Miracles campaign was part of the Hurry Up for Good Deeds Programme that supports charity initiatives.

■ Marina Semitko

**“Participation in the event is an opportunity to do good and give special children unforgettable emotions. This year I again saw the boy who used to be afraid of Santa Claus – he was afraid and cried. This time he met us with a smile, with sincere emotions. His parents said that the child is recovering – this is probably the best thing that can be heard in our business”.**

**Volunteer of the charity campaign Alexey Andreev**



Sakhalin Energy Investment Company Ltd.  
Dzerzhinskogo str., 35, Yuzhno-Sakhalinsk, 693020, Russia  
Tel. + 7 (4242) 66 2000  
E-mail: ea@sakhalinenergy.ru  
Web-site: www.sakhalinenergy.com

Moscow Representative Office:  
Novinskiy, 31, Moscow, Russia, 123242  
Tel. + 7 (495) 956 1750

Desing by OAO Sakhalin Oblast Printing Office