



BUSINESSES NOT READY TO GO FULL REMOTE

According to NAFI, 33% of companies asked their employees to work remotely during the lockdown, but only 20% of them plan to keep it virtual for some employees moving forward, and only 7% are willing to have all of their staff work from home after the pandemic.

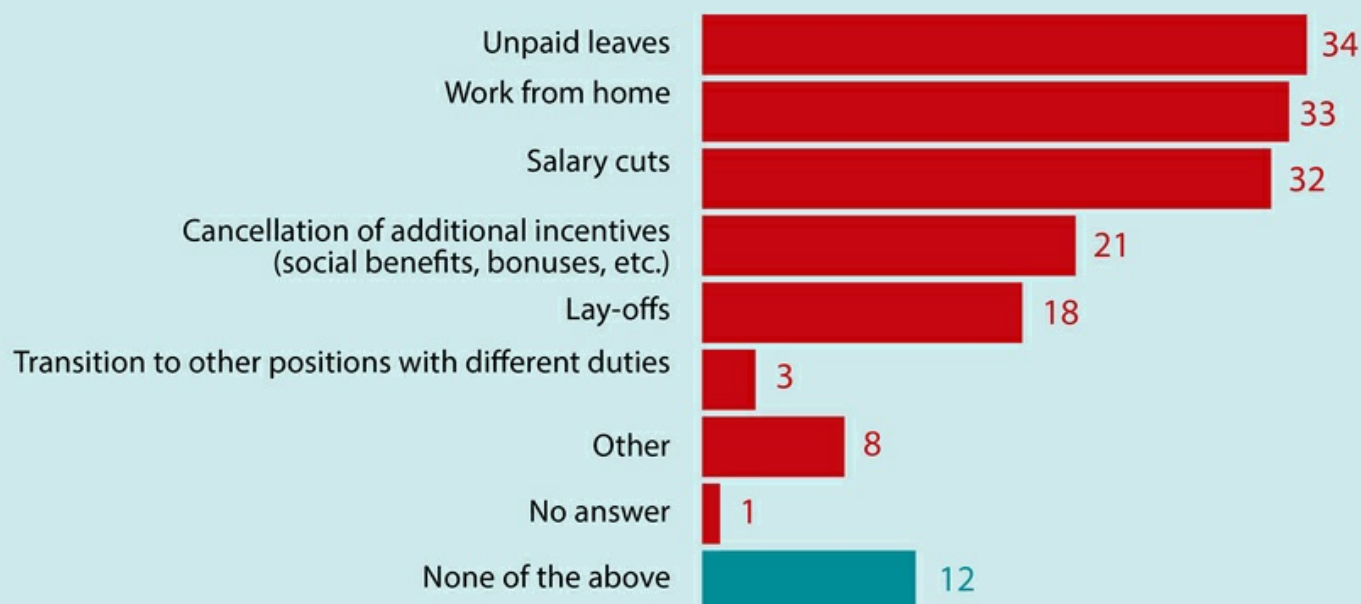
According to How Coronavirus Is Affecting Business, a study by NAFI research centre, the lockdown forced Russian companies to slash their staff costs. 34% of entrepreneurs made employees take unpaid leave, 32% enforced salary cuts, and one in five companies (21%) revoked additional staff incentives.

18% of companies had to lay people off due to the crisis, most of them being hospitality and catering enterprises (34% vs 18% in other sectors).

According to NAFI, every third company (33%) allowed its employees to work remotely, with large companies being more eager to use this strategy than their smaller counterparts (67% of companies with more than 250 employees vs 39% of companies with 16–100 employees). Only 24% of small businesses (up to 15 employees) went remote.

“Which of the following have occurred in your company?”

(% of all respondents)

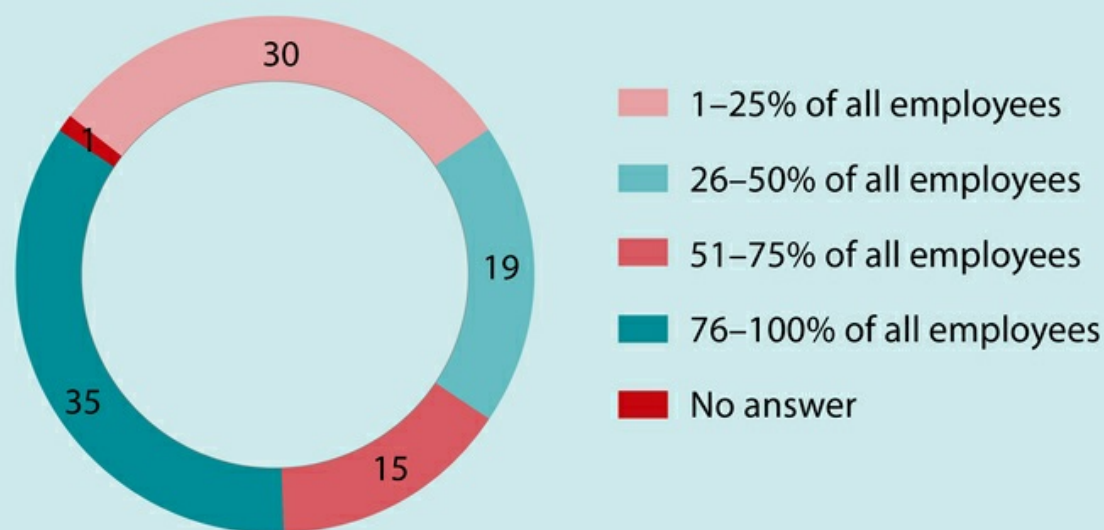


The total exceeds 100% due to the ability to pick multiple options

Among the companies that did go remote, only 35% were able to organise work from home for the entire team. 30% of businesses allowed remote work to only a quarter of their employees.

“What share of your employees is working from home?”

(% of all respondents who allowed work from home)



According to the study, the larger the company, the fewer of its employees could work from home: 66% of small enterprises allowed over half of their employees to work remotely, while only 12% of medium-sized companies passed the 50% mark.

Performance evaluation

The study indicates that the majority (82%) of entrepreneurs who allowed full or partial work from home noticed a drop in employee efficiency. One in three says the decline was substantial. Only 14% of entrepreneurs responded that the performance remained flat. It is

worth mentioning that no respondents claimed an increase in employee efficiency when working from home.

"How did working from home affect the efficiency of your employees?"

(% of all respondents who allowed work from home)

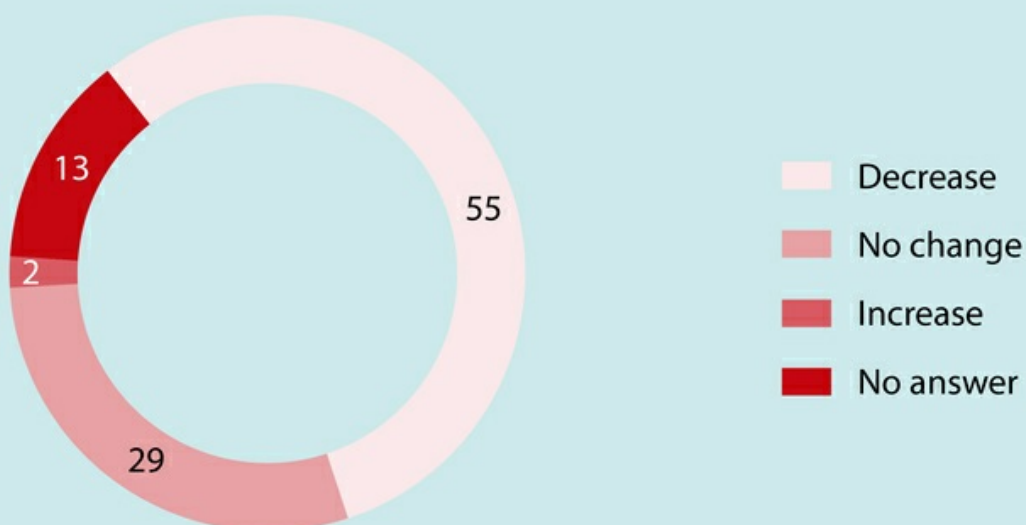


Headcount forecasts

More than half of respondents (55%) expect to lose some employees in the next three months, 29% forecast no change to headcount, and 13% are undecided. Only 2% intend to hire. Micro businesses are the most resilient ones: only 47% of them expect redundancies. 72% of small businesses with 16–100 employees are considering lay-offs.

"Do you expect to increase, maintain or decrease the headcount in the next three months?"

(% of all respondents)



SIBUR's experience

Despite the lifting of some COVID-19 restrictions, part of SIBUR employees will continue to work from home. The Company will gradually return employees to the office, taking into account the national epidemiological situation. Certain employees of the corporate headquarters and administrative personnel of the Company's facilities will be the first to return to the office due to technical requirements and specifics of their functions. Further steps will depend on the epidemiological situation in each particular region.

The Company tackled the threat already in early March and managed to prevent the spread of infection among its employees. SIBUR was among the first Russian companies to introduce enhanced preventive measures – cancel all business trips and public events, purchase disinfectants, test staff, and have a shift camp arrangement at certain facilities. Experts from the Corporate Centre and daytime workers from production facilities went fully remote, which did not affect the stability and management of production processes.

SIBUR IS ALSO CONSIDERING A HYBRID ARRANGEMENT, I.E. A COMBINATION OF OFFICE AND REMOTE WORK FOR ALL EMPLOYEES NOT INVOLVED DIRECTLY IN THE PRODUCTION PROCESS

SIBUR readily employs a variety of available digital tools enabling remote control over production processes. Some employees remained in the offices or at the sites but observed all safety requirements.

Starting 18 May, administrative and management personnel free from chronic diseases and cold-like symptoms are allowed into the office if required operationally. Remote work is still encouraged for most employees and is a must for employees aged 65+ and pregnant women.

Protecting employee health and ensuring business continuity remain among SIBUR's priorities. The Company complies with the sanitary standards and carries out mandatory disinfection procedures. Employees are tested for coronavirus at the Company's expense before returning to the office, have their temperature measured at the entrance to the workplace and in the course of the day, and are provided with personal protective equipment. The Company's offices have introduced checkerboard seating with at least 1.5 m distance between the employees and issued safety recommendations.

SIBUR is also considering a hybrid arrangement, i.e. a combination of office and remote work for all employees not involved directly in the production process.